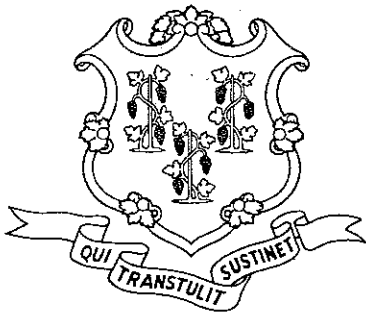


Department of Motor Vehicles Management and Central Operations

Connecticut
General Assembly



LEGISLATIVE
PROGRAM REVIEW
AND
INVESTIGATIONS
COMMITTEE

January 1986

CONNECTICUT GENERAL ASSEMBLY

LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE

The Legislative Program Review and Investigations Committee is a joint, bipartisan, statutory committee of the Connecticut General Assembly. It was established in 1972 as the Legislative Program Review Committee to evaluate the efficiency and effectiveness of selected state programs and to recommend improvements where indicated. In 1975 the General Assembly expanded the committee's function to include investigations and changed its name to the Legislative Program Review and Investigations Committee. During the 1977 session, the committee's mandate was again expanded by the Executive Reorganization Act to include "Sunset" performance reviews of nearly 100 agencies, boards, and commissions, commencing on January 1, 1979. Review of the original schedule of sunset entities was completed in 1984. Review of the list will begin again in 1988.

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DEPARTMENT OF MOTOR VEHICLES:
AGENCY MANAGEMENT AND CENTRAL OPERATIONS

PERFORMANCE AUDIT

LEGISLATIVE PROGRAM REVIEW AND
INVESTIGATIONS COMMITTEE

JANUARY 1986

AGENCY MANAGEMENT AND CENTRAL OPERATIONS

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AGENCY MANAGEMENT AND CENTRAL OPERATIONS

SUMMARY

The Legislative Program Review and Investigations Committee conducted a ten-month performance audit of the Department of Motor Vehicles (DMV) with the goal of improving the department's customer service, operational efficiency, and management. The committee audit resulted in four separate reports: 1) Agency Management and Central Operations; 2) Branch Office Operations; 3) Title Operations; and 4) the Dealers and Repairers Division. These reports contain descriptive information, analysis, findings, and recommendations concerning department operations.

During its review of the department's management and central operations the Legislative Program Review and Investigations Committee found a lack of systematic planning, performance monitoring, staff evaluation, and training. These management problems were compounded by the organizational structure of the department. The program review committee also found that productivity and customer service needed improvement through the centralization and automation of the department's phone system and document processing functions. The need to computerize existing data files and enter information more quickly in the department's computer records was also cited.

RECOMMENDATIONS

To address these problems the Legislative Program Review and Investigations Committee recommends that:

1. The department be organized into two bureaus, programs and administration, each headed by a deputy commissioner who reports directly to the commissioner. Within the programs bureau, there should be the following divisions, each headed by a division chief:

- customer services: field operations, responsible for all public services provided at branch offices including registration, title, photo-license, driver licensing examinations and vehicle inspections;
- customer services: central operations, responsible for all centrally provided public services including operating a telephone information center, issuing titles, and processing of transactions not generated by walk-in customers, refunds, corrections, and requests for copies of records;

- emissions, responsible for overseeing operation of the state auto emissions program; and
- regulation and enforcement, responsible for programs to control and improve drivers, the regulation of motor vehicle businesses, and the enforcement of motor vehicle laws and agency requirements concerning such matters as public service vehicles, anti-theft measures, and no-fault insurance.

Within the Administration Bureau, there should be the following offices, each headed by a director:

- fiscal affairs, responsible for budgeting and accounting functions;
- information systems, responsible for data processing and the creation and maintenance of automated information systems;
- adjudications, responsible for operating the agency's administrative hearing process;
- public information, responsible for public relations and media liaison matters;
- policy and procedures, responsible for developing and interpreting laws, regulations, and guidelines concerning motor vehicles matters;
- human resources, responsible for personnel, payroll, and staff development matters; and
- support services, responsible for mail, stock and inventory, and property management matters.

In addition to the divisions and offices outlined above, there should be:

- a planning and operations research unit, responsible for performance monitoring and long range planning; and
- an internal audit unit, responsible for assuring the financial integrity of department activities.

The directors of the planning and operations research unit and the internal audit unit should report directly to the commissioner.

2. The Department of Motor Vehicles develop a five-year plan by January 1, 1987. The plan should encompass all department operations and address at least the following areas: customer service; data processing; facility improvement; and employee training. The plan should prioritize all programs proposed and provide implementation strategies for each proposal that include measureable objectives, time frames, and cost benefit analyses whenever possible. The plan should be annually updated and submitted to the General Assembly and the Governor in conjunction with the department's budget requests. The annual update should include an explanation of any delays in implementing proposed programs.

3. The Department of Motor Vehicles should establish a planning and operations research unit to be operational by January 1, 1987. This unit should be responsible for:

- establishing performance indicators for all units;
- assisting units in developing workload measures;
- collecting and analyzing data on department performance including trends and changes in customer service level;
- preparing monthly and annual reports of performance indicators for unit managers;
- analyzing resource needs, costs, and benefits of program proposals;
- monitoring and assisting in the implementation of planned programs; and
- providing technical planning assistance to the department.

4. The planning and operations research unit should consist of four staff members and a director. The director should report directly to the commissioner. The director should have work experience in at least two of the following areas: management information systems; statistical analysis; strategic planning; and operations research. Each staff member should have work experience in at least one of the above areas and all four areas of expertise should be represented on the unit's staff. In addition, the current management analysis unit should be incorporated within the planning

and operations research unit under the supervision of the planning and operations research director.

5. The Department of Motor Vehicles should develop a system to annually evaluate the performance of all staff members. Pay increases for managers should be based on the manager's effectiveness in implementing projects outlined in the department's budget and long-term plans. Job-specific goals should be established for all department employees and annual evaluations and pay increases should be based on the achievement of these goals.

6. The Department of Motor Vehicles should establish a program for initial and continuing in-service training and career development opportunities for all levels of staff throughout the agency.

6a. A director of training and staff development responsible for developing and implementing this program should be hired by July 1986.

6b. The director should develop and implement by December 1986 a program for training part-time branch office employees.

6c. The training director, with the assistance of the planning and operations research unit, should develop an annual plan that:

- assesses training needs;
- prioritizes training needs;
- outlines programs to meet those needs; and
- evaluates the effectiveness of previous training efforts.

6d. The first training plan should be submitted to the commissioner on July 1, 1987, and should include a description of the activities designed to prepare branch office staff for point-of-transaction data entry.

7. In view of the problems the current phone system creates, the Department of Motor Vehicles should establish a centralized phone center that will provide statewide toll-free access to a single department number. Within two years, all direct outside phone lines to the central office should be eliminated and calls should be answered at the centralized phone center. Also within two years, the department should set up a pilot program whereby a separate toll-free number would be available 24 hours per day to deliver recorded messages concerning general information.

Within three years, the department should eliminate all direct outside phone lines to the branch offices and those calls should

also be answered at the central phone center. Personnel staffing the phone center should have access to all computerized information systems.

8. The Department of Motor Vehicles should create a centralized documents processing unit to process all transactions not generated by walk-in customers. By October 1, 1986, the unit should be fully automated to process all mail-in registration renewals. This unit should process all transactions not generated by walk-in customers by October 1, 1987. In addition, by the same date, the department should pilot its "point-of-transactions" data entry registration system in this unit.

9. The Department of Motor Vehicles should implement a point-of-transaction data entry system in the branch offices by January 1991. A consultant should be hired to study the type of system needed by the department, provide an implementation plan, and estimate its cost. A report of the consultant's study and recommendations should be submitted to the General Assembly and the governor by July 1987.

10. The Department of Motor Vehicles should automate the following functions by July 1987:

- delinquent property tax;
- suspended registrations;
- driver license examination appointments;
- vanity plates;
- payroll;
- personnel records;
- inventory; and
- waiting time data.

CHAPTER I

INTRODUCTION

The Legislative Program Review and Investigations Committee's performance audit of the Department of Motor Vehicles (DMV) was undertaken to identify ways of increasing efficiency and productivity while improving the quality of customer services. In addition to addressing specific problems such as long waits, busy phone lines, and paperwork backlogs, the program review committee sought comprehensive solutions to management weaknesses that impede service improvements.

This report, one of four resulting from the ten-month performance audit, contains the committee's findings and recommendations for agency management and centralized customer service operations. Three companion reports contain descriptions, findings, and recommendations concerning: 1) branch office operations; 2) title operations; and 3) the Dealers and Repairers Division.

Vehicle registration and title programs, which had obvious deficiencies and affect the greatest number of Connecticut citizens, were emphasized during the review of central as well as branch office activities. Operations within the Dealers and Repairers Division, a frequent source of complaints about the department, were similarly given special attention. The department's vehicle emissions inspection program was excluded from the scope of the audit since it is the subject of a separate, ongoing Legislative Program Review and Investigations Committee study. The emissions program performance audit is scheduled for completion by January 1, 1987.

Methods

A variety of research methods were used to assess the overall management of the Department of Motor Vehicles and the performance of certain central operations. The program review committee's evaluation of agency management focused on processes for monitoring current service levels and planning for future demands and conditions. The commissioner, deputy commissioner, division and assistant division chiefs, and key management services staff were interviewed by committee staff to obtain information about planning and decision-making. All major agency plans prepared since 1978 were examined, and department officials were surveyed concerning the implementation status of each action included in the agency's two administrative plans.

Plans concerning data processing and office automation were also scrutinized by the program review committee since expanded use

of computers and new technologies is key to most customer service improvements. Committee staff additionally interviewed DMV data processing personnel in regard to shortcomings of current computer systems as well as immediate and long range remedies. Several state motor vehicles agencies that had recently implemented extensive computerized systems for processing customer transactions were contacted concerning the costs and benefits of such systems.

Requested and appropriated budgets for the period state FY 76 to FY 85 were analyzed to determine motor vehicles department funding patterns and trends. Staffing and work volume statistics for the same 10 year period were similarly analyzed. A variety of information on motor vehicles agencies in seven other states was gathered for comparative purposes. Five public hearings were held around the state to obtain input from Connecticut citizens regarding the performance of the Department of Motor Vehicles.

In evaluating customer services carried out within the central office, the committee concentrated on two critical functions: telephone services and the processing of bulk transactions. The best available data on inputs, outputs, and resources associated with these functions were gathered and analyzed in terms of efficiency and productivity. Several private sector models of telephone and centralized mail processing systems were researched and compared with the department's systems.

Report Organization

Background information on the Department of Motor Vehicles that includes descriptions of statutory powers and duties, major functions, and structure is presented in Chapter II of this report. Chapter II also analyzes the agency's resource and workload trends, key management activities and comparative data from other states. The Legislative Program Review and Investigations Committee's findings in the areas of agency management and centralized operations as well as recommendations to improve these aspects of the Department of Motor Vehicles, are contained in Chapter III.

CHAPTER II

DESCRIPTION AND ANALYSIS

Purpose, Powers, and Duties

The Connecticut Department of Motor Vehicles, created in 1917, is charged with promoting the safety of the state's citizens through registration of motor vehicles and licensure of motor vehicle operators. The department is also responsible for collecting revenues, regulating motor vehicle commerce, and maintaining and disseminating registration and licensure information. To carry out these duties, the department operates a number of programs that are described below.

Licensure of operators. The Department of Motor Vehicles is responsible for examining Connecticut drivers to ensure that they have the knowledge and skills and meet the physical requirements necessary to operate a motor vehicle safely. Over 155,000 operator license examinations were administered by department staff during state FY 85.

Once a candidate passes the examination, the department issues a photo license that must be renewed every four years. Among the types of operator licenses issued are passenger car, truck, motorcycle, and public service vehicle (school bus, taxi, etc.). In FY 85, DMV issued 760,053 new and renewal operator licenses.

Registration of motor vehicles. As a method of identifying vehicles, all states use a registration system. The Connecticut Department of Motor Vehicles is responsible for registering all vehicles that are garaged or operated primarily in Connecticut. Since April 1, 1985, when Connecticut became a member of the International Registration Plan, the department has also administered a system of apportioned registration for most commercial vehicles engaged in interstate travel.

Before processing a registration application, department personnel must ensure that the following criteria are met:

- certain vehicles meet minimum safety requirements;
- passenger vehicles are covered by liability insurance;
- sales tax is collected from vehicle buyers;

- local property taxes on passenger vehicles are paid; and
- registration fees, which vary according to the type of vehicle, are paid.

Non-commercial vehicle registrations must be renewed every two years unless ownership is transferred. Commercial vehicle registrations must be renewed annually. In FY 85, the department issued a total of 1,688,031 new and renewal registrations.

Issuance of titles. To ensure proper ownership of a vehicle, the motor vehicle departments in most states administer a title process. In Connecticut, all vehicles manufactured since 1970, except for certain exempted categories, must have a certificate of title issued by the Department of Motor Vehicles. Before a Connecticut certificate of title is issued, DMV staff verify supporting ownership documents and check the vehicle's identification number against computer files of stolen vehicles.

The department is responsible for generating duplicate titles when originals have been lost, stolen, or mutilated. A total of 655,840 applications for original and duplicate certificates of title were received by the department in FY 85. By law, the agency also is a repository of lienholder and security interest information concerning the vehicles it titles.

Vehicle safety inspections. Prior to being registered in Connecticut, certain vehicles must pass a DMV safety inspection. Cars more than 10 years old whose ownership is being transferred and used automobiles coming in from another state are among the vehicles that must meet minimum safety standards before being registered in Connecticut. To deter the registration of stolen vehicles, the vehicle identification numbers on out-of-state automobiles are also checked for alteration or tampering during the mandatory safety inspection.

Fees were collected in regard to almost 215,000 safety inspections in FY 85, while an undetermined number of no-charge inspections and reinspections were conducted. In addition to these pre-registration safety inspections, the department is responsible for inspecting school buses and other public transportation vehicles such as ambulances, taxis, and commercial buses for compliance with minimum safety standards.

Driver control and improvement. State statute requires that accidents involving personal injury or death, or property damage exceeding \$600 be reported to the Department of Motor Vehicles. The department maintains accident case files and driver histories, and disseminates this information to requesting parties. The collection

of security deposits or bonds necessary for compliance with statutory financial responsibility requirements is another agency responsibility.

The authority to suspend or revoke operator licenses and vehicle registrations rests with the motor vehicles commissioner. The department processes and issues all suspension notices, restores licenses or registrations when suspension periods are over, and holds driver improvement courses for motor vehicle operators with poor driving records.

During FY 85, the department processed or issued:

- 108,000 license and registration suspension notices;
- 52,405 license restorations;
- 73,000 (on average) accident files; and
- 872,000 copies of driver histories.

Regulation of dealers and repairers. Under state law, businesses that sell or repair automobiles must be licensed and comply with a number of regulatory requirements. The Department of Motor Vehicles is charged with carrying out this program for regulating motor vehicle commerce. Department personnel inspect locations prior to granting licenses, and periodically reinspect establishments as well as review the use of special marker plates by licensees. In FY 85, the number of commercial establishments licensed by DMV totaled 10,063.

Consumer complaints against licensed dealer and repairer establishments are also received and investigated by the department. The Department of Motor Vehicles received over 7,600 complaints from consumers in FY 85.

Administrative hearings. The motor vehicles department has an administrative hearing procedure for adjudicating cases that involve the loss of driving or registration privileges. Such cases may result from:

- moving violation convictions;
- refusal to submit to a blood alcohol test;
- possession of alcohol by a minor; and

- failure to comply with the department's regulatory requirements (e.g., no fault insurance coverage, etc.).

Departmental adjudicators also hear cases based on consumer complaints against the dealer and repairer businesses regulated by the department. During FY 85, over 3,400 administrative hearings were held by the motor vehicles department.

Emissions inspections. All vehicles registered in Connecticut, except certain categories exempted by law, are subject to annual emissions inspections. The Department of Motor Vehicles is responsible for administering the emissions program, although the inspections are carried out by a private contractor. The emissions program is funded separately from other DMV activities; its budget in state FY 85 totalled over \$15.8 million.

Department Organization

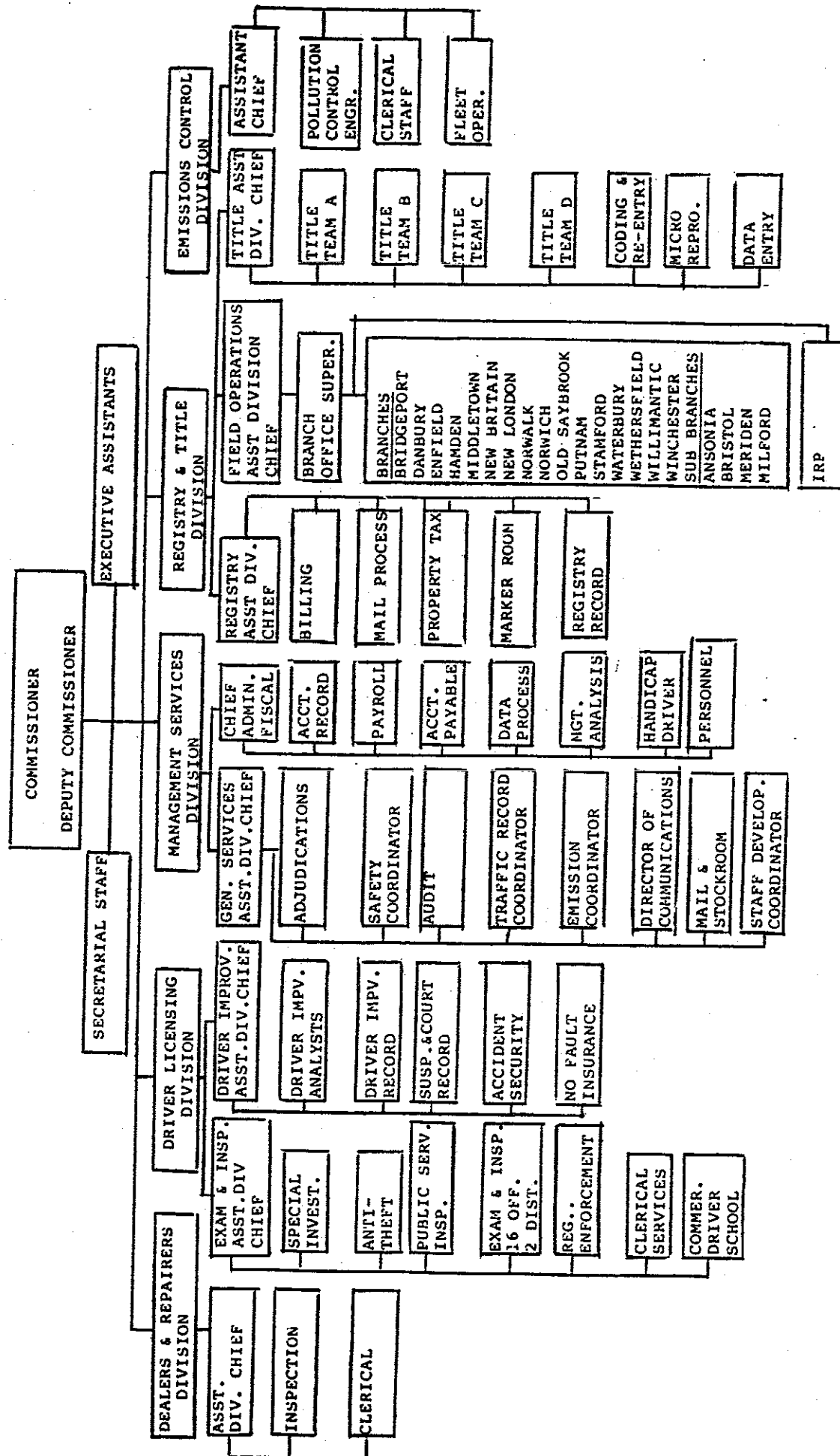
The Department of Motor Vehicles is organized functionally into five divisions--registry and title, driver licensing, management services, dealers and repairers, and emissions control. Each is headed by a division chief who reports directly to the motor vehicles commissioner. The role of the department's deputy commissioner has varied; the current deputy commissioner is in charge of the agency's branch offices and is periodically given special assignments by the commissioner. The organizational structure of the department is shown in detail in Figure II-1. Descriptions of each major department component follow.

Registry and Title Division. Nearly half of all department personnel is employed within the Registry and Title Division, the agency's largest division. Registry and title includes the centralized administrative units responsible for vehicle registration and certificate of title functions as well as the department's branch offices. An assistant division chief heads each of the three sections in the division--registry, title, and field operations.

Field operations section. The assistant division chief for field operations, assisted by two regional supervisors, oversees the 20 DMV branch and sub-branch offices located throughout the state. Managers of the individual offices are responsible for providing customers with vehicle registration, title, and photo-licensing services. Over 300 DMV employees are directly involved in serving customers in the field.

Registry section. The division's registry section, headed by an assistant division chief, contains five units that have numerous

Figure II-1. Department of Motor Vehicles Organization



Source: DMV

customer service as well as administrative responsibilities. Those units are: 1) billing; 2) mail processing; 3) property tax; 4) registry records; and 5) the marker room.

The primary function of the billing unit is to maintain files on and monitor compliance with insurance requirements for leased and rented vehicles, public service vehicles, school buses, and other service vehicles. The billing unit also processes handicapped parking permits, all refunds of department fees, and corrections of department records. Billing unit personnel are additionally responsible for staffing the department's general information telephone lines and answering customer correspondence concerning registration and operator license information.

The mail processing unit handles all documents that are mailed to the department, although the bulk of its work is registration renewals. The unit opens, sorts, and examines mailed transactions, calculates fees, and validates documents. A boating unit, considered part of mail processing, but actually a self-contained section, does not appear on the department's organization chart. The unit processes mail-in licenses and registrations related to boating.

The property tax unit of the registry section provides the information and support services necessary for developing the list of delinquent taxpayers checked by DMV branch office personnel during the registration process. The unit basically serves as a conduit between the 169 towns and the department, making sure that tax information is accurate and towns are notified of corrections resulting from license or registration transactions.

The registry records unit is responsible for responding to requests for registration information such as copies of original application forms or insurance documentation. In addition, the unit processes and maintains all paperwork for "suppressed" registrations and licenses requested by law enforcement agencies conducting undercover operations.

Vanity plates are also processed and issued through the registry records unit. Lastly, the registry section's marker room is responsible for controlling and distributing license plates throughout the department.

Title section. The title section of the Registry and Title Division is responsible for processing all title applications received at the branch offices. The section includes, four teams that review title applications for compliance with department requirements and state law, keep records of all titles issued by the department, and provide information to the general public on title requirements. The section's micro-reproduction unit prints certificates of title and microfilms title documents.

The coding and re-entry unit and the data entry unit prepare and enter information into the department's computer system. While both units are assigned to the title section, the bulk of their workload is entering registration information for computer processing.

Driver Licensing Division. The Driver Licensing Division, which accounts for approximately 25 percent of the department's staff resources, is comprised of two distinct sections: 1) examination and inspection; and 2) driver improvement. Each section is headed by an assistant division chief.

Examination and inspection section. The examination and inspection section includes the sworn personnel who test new drivers and inspect cars at the branch offices as well as a central office unit that inspects public service vehicles (e.g., buses, ambulances, etc.). The examination and inspection field staff are divided into two districts covering the 16 branch offices. Small central office units of one to three persons also are involved in anti-theft efforts, commercial driving school regulation, registration enforcement, and clerical services.

Driver improvement section. The division's driver improvement staff is responsible for collecting data and providing information concerning motor vehicle accidents and violations as well as implementing sanctions such as license suspension.

The accident security unit of the driver improvement section maintains a file on each motor vehicle operator involved in a reportable accident (i.e., an accident involving personal injury, death, or more than \$600 worth of property damage) and ensures that drivers involved in such accidents meet state legal requirements. Drivers who do not comply with these requirements are referred for license suspension.

Computerized driver histories are maintained and updated by the section's suspension and court records unit. These records document each driver's motor vehicle violations, the penalties assessed for these violations, and whether or not the driver is currently under suspension.

The driver improvement analyst unit assigns the length of an operator's license suspension on the basis of state law, court decisions, and guidelines established by the commissioner of motor vehicles. Driver improvement analysts also determine at what point the legal requirements of suspension have been met and a driver's license can be restored. The driver improvement record unit maintains files of active suspension records.

Management Services Division. General administrative and fiscal support functions as well as the agency's extensive data

processing operations are organized within the Management Services Division. The division employs about 14 percent of the department's staff. While the department's organization chart (see Figure II- 1) shows the division is comprised of two sections, general services and fiscal administration, each reporting to a single management services division chief, interviews with department staff indicated a different organizational structure.

The organization chart presented in Figure II-2 depicts the actual division structure in terms of reporting on policy matters. Two coordinator positions shown in the department's chart--staff development and emissions--are not included in this management services structure since their time is devoted exclusively to the emissions control division. The traffic records coordinator position also has been eliminated from Figure II-2 since that staff person is actually part of the management analysis unit.

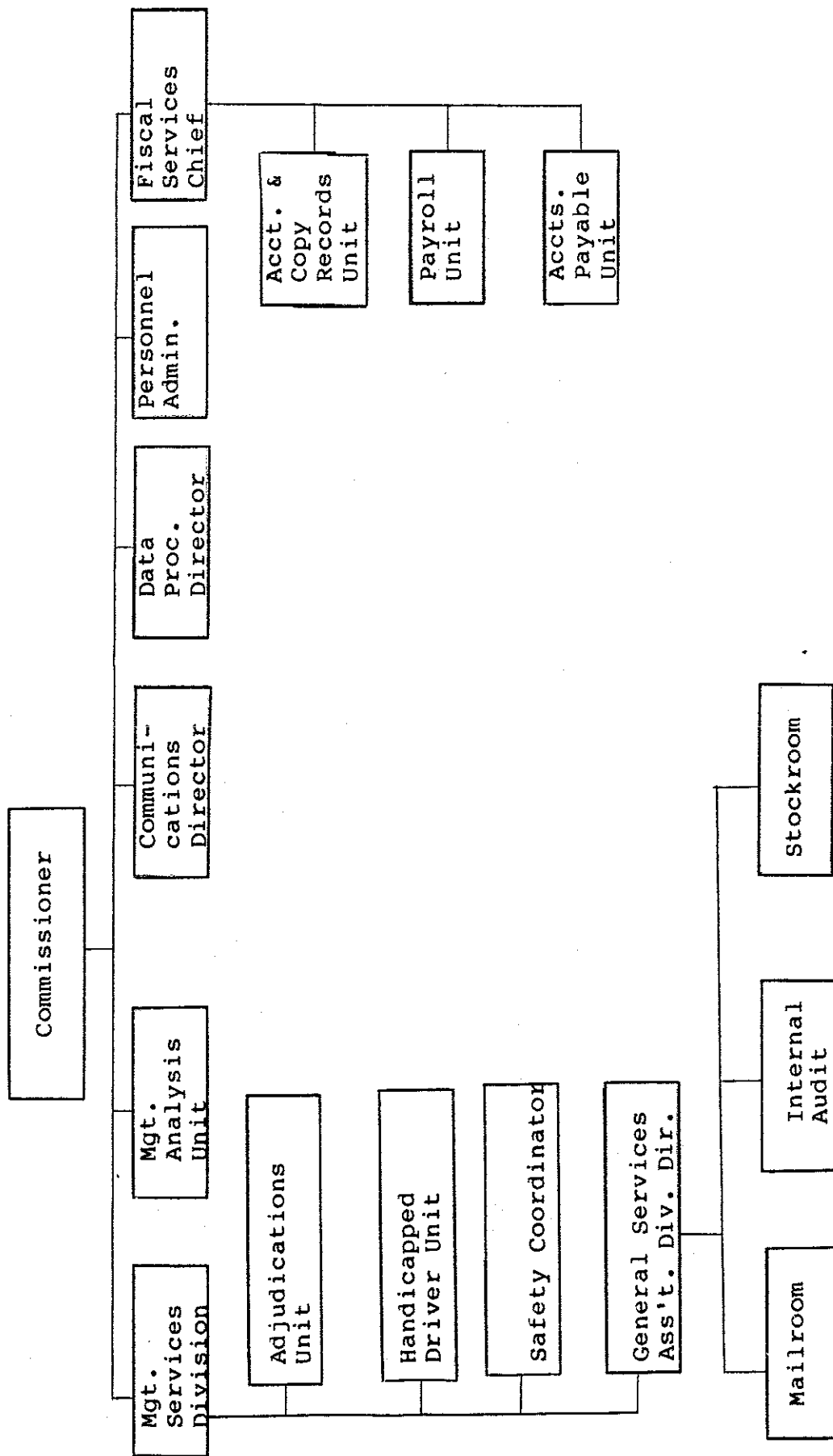
As the figure indicates, six units or sections report directly to the commissioner. They are: 1) management services; 2) management analysis; 3) communications; 4) data processing; 5) personnel; and 6) fiscal services. Only the adjudications unit, handicapped driver unit, safety coordinator, and general services section come under the supervision of the management services chief. The management services chief, currently an attorney, also provides the department with legal advice and prepares regulations.

The division's adjudications unit is responsible for the department's administrative hearing process. Attorneys hired on a per-diem basis hear cases assigned by the department. Cases are sent to the unit from both the Driver Licensing and Dealers and Repairers Divisions. The handicapped driver unit conducts operator license examinations for physically impaired drivers, while the safety coordinator actually administers the department's photo license program.

The general services section, managed by an assistant division chief, consists of the mailroom, the stockroom, and the internal audit unit. The mailroom processes most of the department's incoming and outgoing mail, and operates express deliveries between the central and the branch offices. The stockroom maintains and distributes the department's basic office supplies. The accounts examiners of the internal audit unit review agency performance with primary emphasis on financial and compliance audits. Internal audit results, especially those concerning irregularities in the handling of funds, are reported directly to the commissioner.

Communications, one of the Management Services Division components that reports directly to the commissioner, consists only of a director and a secretary. Although officially responsible for

Figure II-2. Management Services Division Organization



public relations, the current communications director performs many functions of a deputy commissioner position. For example, the director reviews statistical information concerning the agency and informs the commissioner of significant trends.

The fiscal services component develops and oversees the department's budget, processes the payroll, and performs all other accounting functions. The personnel unit of the Management Services Division hires and trains DMV staff, negotiates contracts with collective bargaining units within the department, and carries out affirmative action responsibilities.

Data processing, a major Management Services Division component, maintains and operates the department's computer system and evaluates the department's data processing needs. The unit also assists other divisions in planning and implementing new information processing systems.

The management analysis office is responsible for evaluating department procedures and working with other units to implement recommended changes. A recently added task for the management analysts is the development of program budget measures.

Dealers and Repairers Division. Dealers and Repairers Division, the smallest division within the Department of Motor Vehicles, operates the department's program to regulate motor vehicle businesses. Clerical staff process paperwork related to the licensing and monitoring of car dealers, repairers, junkyards, and gas stations. The field work necessary for business regulation as well as investigation of consumer complaints is the responsibility of the division's inspection personnel.

Emissions Control Division. The department's newest division, emissions control, was established in 1980 to oversee the state's program for annual inspections of motor vehicle emissions. The division's primary function is monitoring the private contractor that operates the inspection program.

The division's staff includes Department of Motor Vehicles field representatives who are located at the 18 contractor-operated inspection stations. In addition, departmental field auditors check the accuracy of inspection equipment while accounting personnel audit billings and other contractor records. A fleet operations unit also carries out emissions inspections of vehicle fleets, the division's second major activity.

Resources Analysis

The budget, staffing levels, and volume of transactions for the Department of Motor Vehicles were analyzed by the program review committee staff since these factors have a direct impact on agency

performance. In addition to examining the department's current resources and work volume, trends over the past ten fiscal years were reviewed. Most of the following analysis excludes the emissions program, which is outside the scope of this audit and is the subject of another, ongoing committee study. Furthermore, since the emissions program only began operating in 1980, its inclusion would distort the analysis of department trends.

The department's current budget. The Department of Motor Vehicles estimated budget for FY 85 was \$41,046,263. Excluding the emissions control program, which accounted for \$15,883,547 of that amount, the department's budget was \$25,162,716. In FY 85, personal services consumed \$17,343,716. Other expenses accounted for \$7,177,000 and \$397,000 was budgeted for equipment. A detailed breakdown of the department's budget by expenditure category is presented in Table II-1.

Personal services include all funds expended for full-time, part-time and temporary employees and overtime. Other expenses include such items as consultant fees, leases, rents, office supplies, fuel, telephones, postage and travel. The equipment category includes any item the department buys for long-term use.

The emissions program represents the largest part of the department's budget at 38.7 percent, with the registry and title division the second largest at 29.9 percent. The smallest portion of the budget goes for equipment--1 percent. Figure II-3 gives a percentage breakdown of the department's budget by expenditure category.

Figure II-3. Expenditures by Category, FY 85.

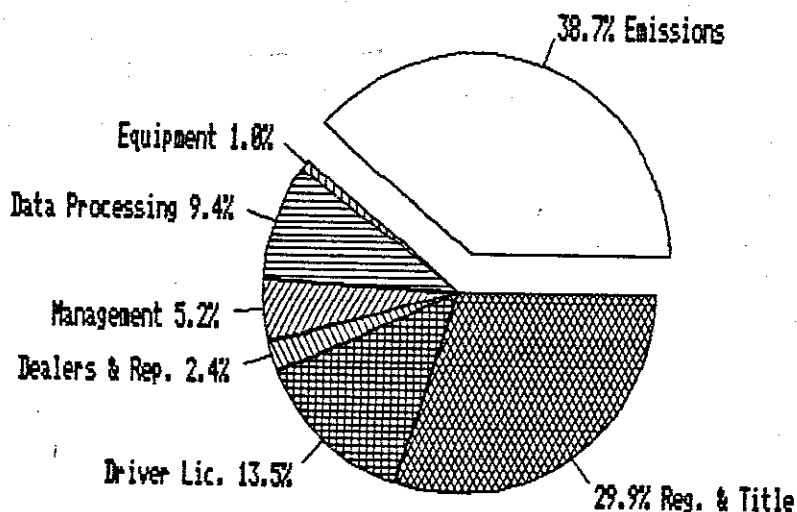


Table II-1. Department of Motor Vehicle Budget by Division and Function for FY 85.

<u>Division/Function</u>	<u>Expenditures</u>
Management Services	
Personal	\$1,924,255
Other Expenses	209,303
Total	<u>2,133,558</u>
Data Processing	
Personal	1,161,661
Other Expenses	2,694,293
Total	<u>3,855,954</u>
Dealers & Repairers	
Personal	823,339
Other Expenses	152,441
Total	<u>975,780</u>
Driver Licensing	
Personal	4,757,061
Other Expenses	734,007
Federal Funds	45,000
Total	<u>5,536,068</u>
Registration & Title	
Personal	8,677,400
Other Expenses	3,386,956
Federal/Other Funds	200,000
Total	<u>12,264,356</u>
Emissions	
Personal	1,388,547
Other Expenses	14,495,000
Total	<u>15,883,547</u>
Equipment	397,000
Agency Grand Total	<u>\$41,046,263</u>

Source: Office of Policy and Management Budget for Department of Motor Vehicle.

Two divisions, emissions and data processing, have large expenditures in the other expenses category. The Emissions Division's other expense of \$14,495,000 pays for the contract with Connecticut Vehicle Inspection Program, Inc., the private contractor that conducts the program. A large portion of the other expenses in data processing is used to lease computer equipment.

Funds for the department's budget come from three sources: 1) the General Fund; 2) federal funds; and 3) the Emissions Enterprise Fund. For state FY 85, the department received an estimated \$25,162,716 from the General Fund, \$45,000 from federal funds and \$15,883,547 from the Emissions Enterprise Fund.

Trends in the DMV budget. Since state fiscal year 76, the Department of Motor Vehicles budget has experienced only a modest increase in constant dollars. The department's budget was \$11,458,025 in FY 76 compared to \$25,162,716, excluding emissions, for FY 85. However, if the budget is discounted for yearly inflationary increases, the growth is much smaller. As Table II-2 indicates, the department's FY 83 budget, in constant 1975 dollars, was \$11,795,142, only a 2.9 percent increase over the FY 76 budget. From FY 76 to FY 85, there has been a 19.1 percent increase in the department's budget.

In contrast, the state's total General Fund budget, adjusted for inflation, increased by 14.4 percent from FY 76 to FY 83, and by 26.2 percent from FY 76 to FY 85. The department's budget, again excluding the emissions program, lagged behind the state's budget by 11.5 percent and 7.1 percent respectively for each period.

Figure II-4 displays the department's budget (without the emissions program) over 10 years in both nominal and deflated dollars. Increases in the department's budget have occurred in the last two fiscal years. The budget increased 5.1 percent from FY 83 to FY 84 and 12.3 percent from FY 84 to FY 85, in constant 1975 dollars.

As the graph in Figure II-4 indicates, the department experienced losses in constant dollars in FYs 77, 80 and 82. In fact, the department's deflated budget in FY 84 was lower than its FY 79 budget.

The department's appropriated budget has also fallen consistently short of its requested budget for the same period, with the exception of FY 85 and FY 86. Information comparing requested and appropriated budgets from FY 76 through FY 86 is contained in Table II-2.

As the table indicates, the department received between 79 and 96.8 percent of the its requested budget. For six years between FY

Table II-2. Department of Motor Vehicles Budget: FY 76 - FY 85.

GENERAL FUND	FY76	FY77	FY78	FY79	FY80	FY81	FY82	FY83	FY84	FY85
TOTAL DEFLATED										
BUDGET W/O EMISSION	\$11,458,025	\$11,059,271	\$12,482,341	\$12,591,054	\$12,059,886	\$12,258,652	\$11,717,409	\$11,795,142	\$12,425,870	\$14,169,657
YR TO YR % CHANGE		-3.6%	11.4%	0.9%	-4.4%	1.6%	-4.6%	0.7%	5.1%	12.3%
DMV REQUEST	\$14,907,800	\$14,614,908	\$17,889,683	\$16,651,549	\$20,502,495	\$22,165,379	\$19,881,108	\$21,579,790	\$23,069,887	\$23,212,535
GOVERNOR'S REC	\$12,616,000	\$12,228,000	\$14,194,729	\$15,858,000	\$16,682,437	\$17,882,000	\$18,768,000	\$20,419,312	\$22,600,000	\$23,777,500
APPROPRIATION	\$12,286,948	\$12,228,000	\$14,125,129	\$15,671,700	\$16,207,760	\$18,068,550	\$19,218,052	\$20,478,812	\$22,338,597	\$24,521,312
EXPENDITURE	\$11,458,025	\$11,617,877	\$13,874,493	\$15,033,282	\$15,423,192	\$17,093,685	\$17,915,951	\$20,363,548	\$21,258,935	\$24,090,222
% DMV APPROP/REQUEST	82%	84%	79%	94%	79%	82%	97%	95%	97%	106%
% DMV EXPEND/APPROP	93%	95%	98%	96%	95%	95%	93%	99%	95%	98%
UNDER EXPENDITURES	\$828,923	\$610,123	\$250,636	\$638,418	\$784,568	\$974,865	\$1,302,101	\$115,264	\$1,079,662	\$431,090

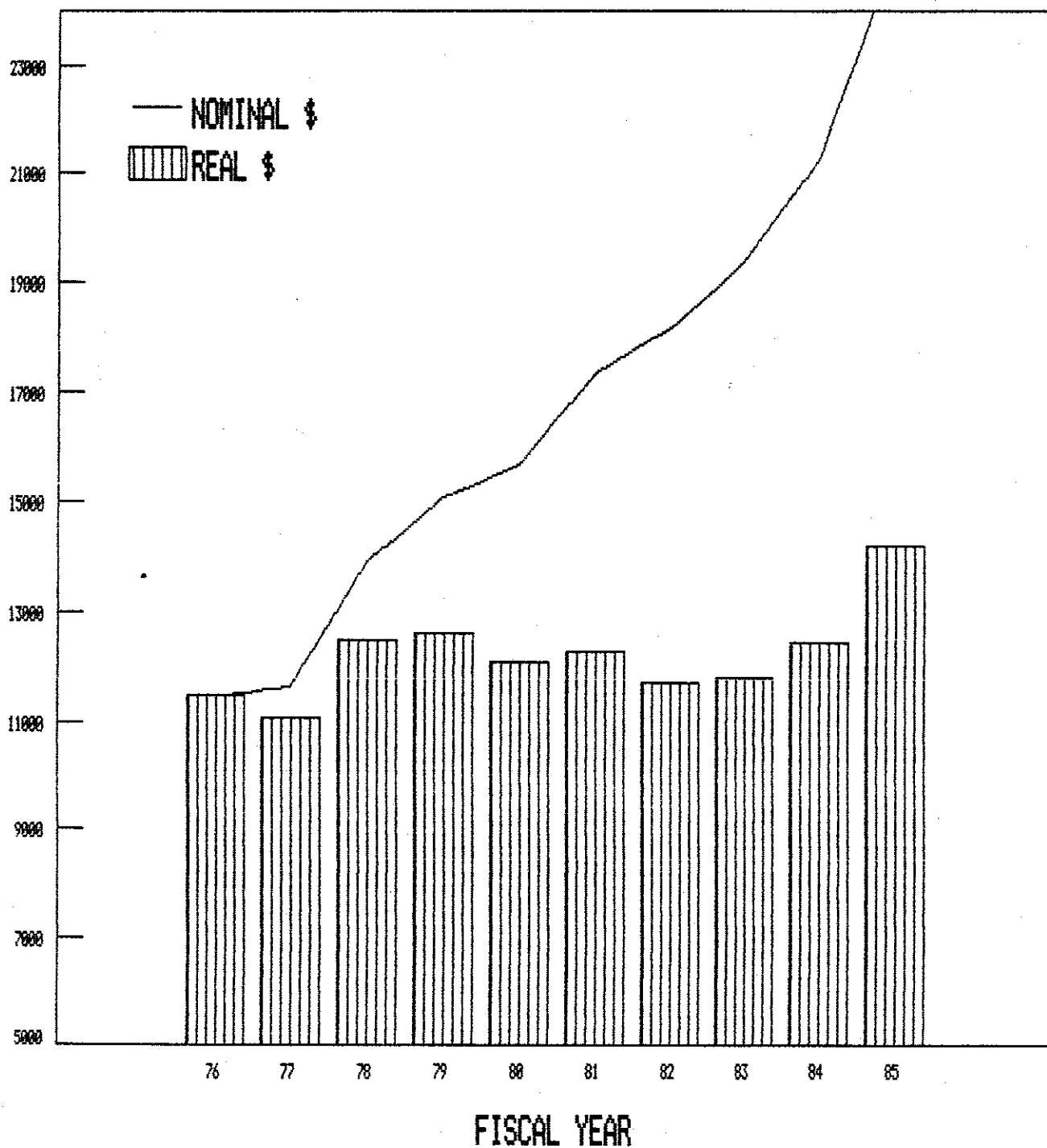
Source: LPRIC Staff Analysis.

Figure II-4.

DEPARTMENT OF MOTOR VEHICLES

TEN YEAR BUDGET TRENDS

BUDGET (IN THOUSANDS)

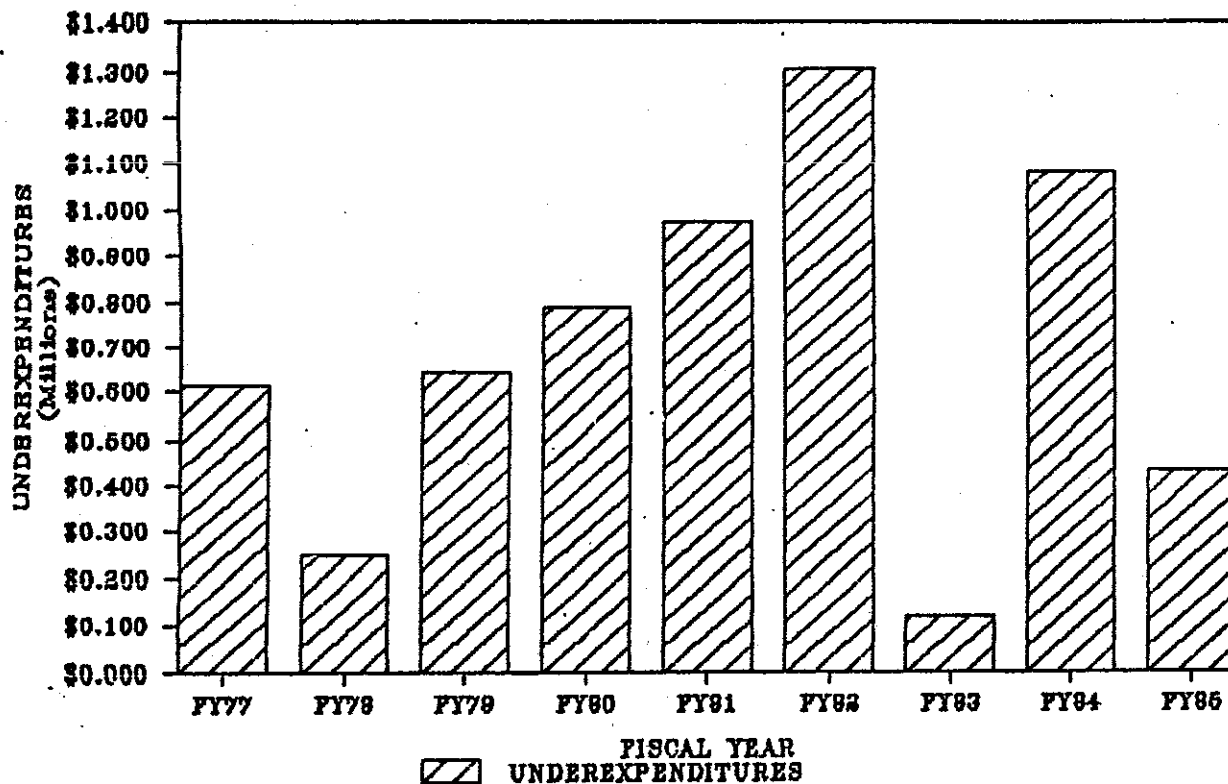


76 and FY 81, the department received, on average, approximately 80 percent of its budget requests. The one exception was FY 79 when the department requested less than of its FY 78 request.

For the most recent years, FY 85 and FY 86, the department received 105.6 and 98.2 percent, respectively, of its requested budget. In FY 85, the department requested \$23,212,535 and the legislature appropriated \$24,521,312, an increase of \$1,308,777.

The Department of Motor Vehicles has also underspent its appropriated budget for each of the last nine years. Figure II-5 is a representation of the department's nine years of underexpenditures. The largest underexpenditure--\$1,302,101--came in FY 82, with the next largest in FY 84 at \$1,079,662. The amount the department underexpended in each of the past 10 fiscal years is also shown in Table II-2.

Figure II-5. Appropriations Minus Expenditures, FY 77 - FY 85.



For fiscal years 84 and 85 combined, the Department of Motor Vehicles lapsed \$1,510,752. A portion of the funds, \$325,000, lapsed because legislation implementing a change in the collection of the sales tax on motor vehicles did not pass, resulting in the elimination of 22 budgeted positions for FY 85. There also would have been an underexpenditure in excess of \$1 million for FY 83 if \$995,222 from the General Fund had not been used for the Emissions Division prior to the start-up of the Emissions Enterprise Fund.

To determine where the underexpenditures have occurred, expenditure categories for the entire agency and each division were examined for FY 84 and FY 85. The results of this analysis, contained in Table II-3, indicate that the most underspending occurred in FY 84 in the category of other expenses.

Table II-3. Department of Motor Vehicle Under/Overexpenditures: FY 84 and FY 85.

		<u>Expenditure</u>	<u>Appropriation</u>	<u>+/-</u>
FY 85	Personal Services	\$16,714,820	\$16,947,312	-\$232,492
	Other Expenses	6,978,478	7,177,000	-198,522
	Equipment	396,924	397,000	-76
FY 84	Personal Services	15,360,865	15,423,248	-62,383
	Other Expenses	5,744,682	6,879,749	-1,135,067
	Equipment	\$153,388	\$149,600	+\$3,788

Further analysis of the department's FY 84 budget reveals more specifically where the underexpenditures occurred. The three department components most affected by the underspending were data processing, driver licensing, and registry and title. In data processing, the shortfall was \$41,351 in personal services and \$368,971 in other expenses, for a total of \$410,322. For the Driver Licensing Division, lapsed funds included \$329,523 for personal services with an overexpenditure of \$55,318 in other expenses. The Registry and Title Division experienced the largest amount of underspending, with \$68,212 in personal services and \$843,651 in other expenses for a total of \$911,863.

Both underspending and underbudgeting have resulted in the department's small budgetary increases over the past 10 years. As Figure II-4 demonstrated, there has been a large difference between the agency's budget in nominal dollars and deflated constant 1975 dollars. For several years, the department actually faced decreases

in its budget when funding was converted to constant dollars, a situation exacerbated by the department's underspending of its appropriated budget.

Current staffing patterns. In the five Department of Motor Vehicles divisions there were 952 employees as of June 20, 1985. However, in the following analysis, emissions program personnel are excluded and only the 886 employees working in the other four DMV divisions are considered.

According to the information shown in Table II-4, most DMV employees hold full-time positions; only 3 percent of the workforce is employed on a part-time basis. Fifteen of the 28 part-time staff members work in the data entry and data processing units, while the branch offices employ 6 part-time registration examiners. The 6 administrative hearing adjudicators in the Management Services Division are also considered part-time employees.

The Registry and Title Division is the largest organizational unit within the department employing 475 staff members, over half of the department's current workforce (excluding emissions). The field operations section of the Registry and Title Division is larger than three of the four DMV divisions. This section staffs the branch offices with 297 registry employees or 34 percent of all DMV personnel.

Driver licensing is the second largest division with 241 filled positions or 27 percent of all department staff. One-third of the division's staff (81 inspectors) are assigned to the branch offices. As a result, the branch offices are actually staffed by a total of 378 employees--approximately 43 percent of the department's total staff.

The Management Services Division accounts for 14 percent of the department's staff (127 employees). Data processing is the largest single unit in this division with 51 employees.

Dealers and repairers is the smallest of the divisions; it employs 36 staff members, 4 percent of all DMV workers. The 25 sworn personnel in the inspection unit account for 70 percent of the division's workforce.

Table II-4. Departmental Staffing Levels (June 1985).

<u>Division</u>	<u># Of Filled Full-Time Staff Positions</u>	<u># Of Filled Part-Time Staff Positions</u>
Commissioner's Office	7	0
Registry and Title		
Director's Office	2	0
Registry Section	65	0
Title Section	99	12
Field Operations	291	6
Total (FT/PT)	<u>457</u>	<u>18</u>
Total (All Positions)	<u>475</u>	
Driver Licensing		
Director's Office	3	0
Exam. and Insp.	131	0
Driver Improvement	107	0
Total (All Positions)	<u>241</u>	<u>0</u>
Management Services		
Director's Office	4	0
Fiscal Services	25	0
Data Processing	47	4
General Services	16	0
Other Units	25	6
Total (FT/PT)	<u>117</u>	<u>10</u>
Total (All Positions)	<u>127</u>	
Dealers and Repairers		
Director's Office	2	0
Clerical Unit	9	0
Inspection Unit	25	0
Total (All Postions)	<u>36</u>	<u>0</u>
Department Total (FT/PT)	<u>858</u>	<u>28</u>
Grand Total (All Positions)	<u>886</u>	

Source: DMV Personnel Status Report for June 20, 1985.

Ten-year staffing trends. The number of filled full-time and part-time positions at the Department of Motor Vehicles has declined over the past 10 years. As of July 19, 1984, the department had 816 General Fund filled full-time positions. This is an 11 percent decrease from the 920 filled, full-time positions at the end of the FY 75.

When General Fund part-time and temporary employees are included in the total, DMV staff declined from 1,000 at the end of FY 75 to 888 in July 1984--also an 11 percent decrease. During this same 10-year period, the total number of state employees in terms of established full-time positions increased by 12 percent, and the number of filled, full-time positions went up by 14 percent.

Personnel reductions have been experienced by nearly all individual units responsible for processing motor vehicle transactions. Table II-5 shows the change in staffing levels for 10 units from 1975 to 1984. Only field operations, which consists of the registration employees in the branch offices, and the Dealers and Repairers Division, show an increase from their 1975 staffing levels. The staffing of the other units has declined or remained unchanged.

Table II-5. Changes in Departmental Staffing Level.

<u>DMV Unit</u>	<u>Total Filled Positions</u>		<u>% Change 1975 to 1984</u>
	<u>1975</u>	<u>1984</u>	
<u>Management Services Division</u>			
All Units (Excluding DP)	77	68	-11.7%
Data Processing (DP) Section	57	50	-12.3%
<u>Dealers & Repairers Division</u>	24	37	54.2%
<u>Driver Licensing Division</u>			
Examination & Inspection Sec.	161	127	-21.1%
Driver Improvement Section	128	97	-24.2%
<u>Registry & Title Division</u>			
Registry Section	91	70	-23.1%
Title Section	54	47	-13.0%
Data Entry Unit	42	30	-28.6%
Coding and Rentry Unit	26	24	-7.7%
Field Operations Section	263	274	4.2%

Source: LPR&IC Staff Analysis.

Volume of transactions. To assess the impact of the decline in DMV personnel, program review committee staff attempted to analyze changes in the department's workload per employee. However, the department does not maintain statistics on the number of documents processed by individual employees or by the department as a whole. Thus, workload measures cannot be calculated.

The best available information on the volume of department transactions is contained in Department of Motor Vehicles "Issues and Receipts Statements." These accounting reports record the number of registrations, licenses, titles, inspection tickets, copies of records, and all other documents sold by the department each month. Because there is often a time lag between the date a document is sold and the date when department personnel actually process that document, the Issues and Receipts Statements cannot be used to measure workload (i.e., the number of documents processed per employee). Statistics from the Issues and Receipts Statements have been used in the following analysis to compare customer demand for department services (as represented by the number of documents sold), and the department's staff resources available to meet that demand (as represented by the number of filled positions within the department).

As Figure II-6 illustrates, the department issued 581,808 fewer documents in FY 84 than in FY 75. Much of this decline can be attributed to changes in the license and registration renewal system. In 1976, the legislature mandated that the renewal period for driver licenses be increased from two to four years. In 1980, the legislature mandated that registration renewal periods be extended from one to two years. As a result, driver license issues declined from approximately 1.1 million in 1979 to .7 million in 1980. Registration issues also declined from 2.4 million in 1980 to 1.6 million in 1983.

A comparison of the number of documents sold each year with staffing levels, shown in Figure II-7, reveals that, on the average, each employee was processing 54 more DMV issues in 1984 than in 1975. This increase in the number of documents issued per employee understates the actual increase in workload. As the department's duties have expanded over the past 10 years, the processes required to issue many documents have become more complex, and automation has been limited. (See Appendix A for a list of the major duties added since 1975.) As a result, more staff time is required to issue certain documents in 1984 than in 1975.

Activities that do not result in the issuance of a document have also increased. For example, in the Dealers and Repairers Division the number of consumer complaints filed increased from 5,162 in 1981 to 7,952 in 1984. Because a document is not issued

Figure II-6. Total Documents Issued, FY 75 - FY 84.

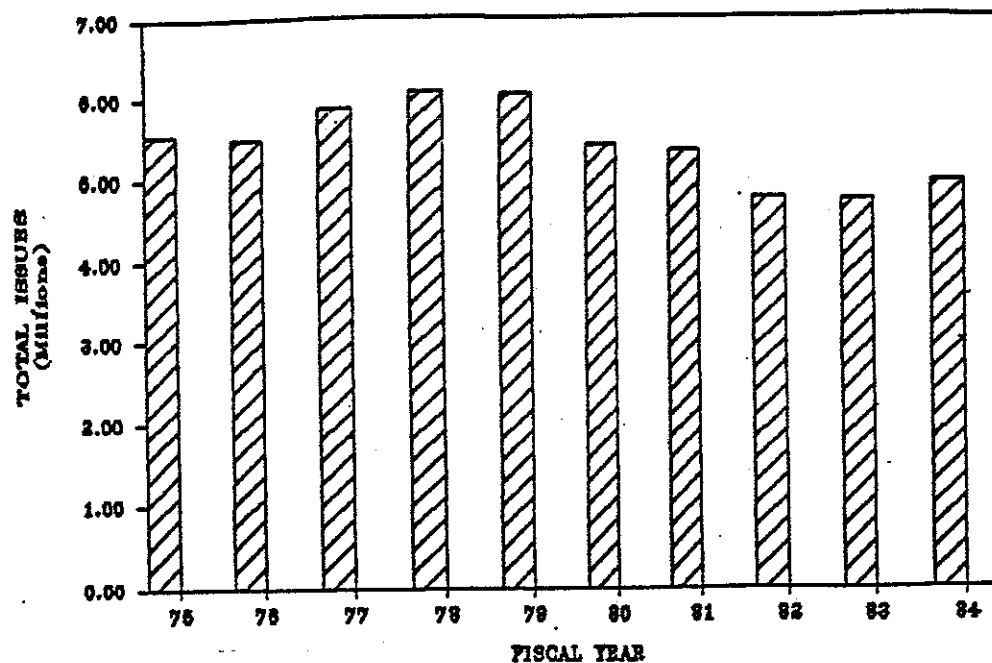
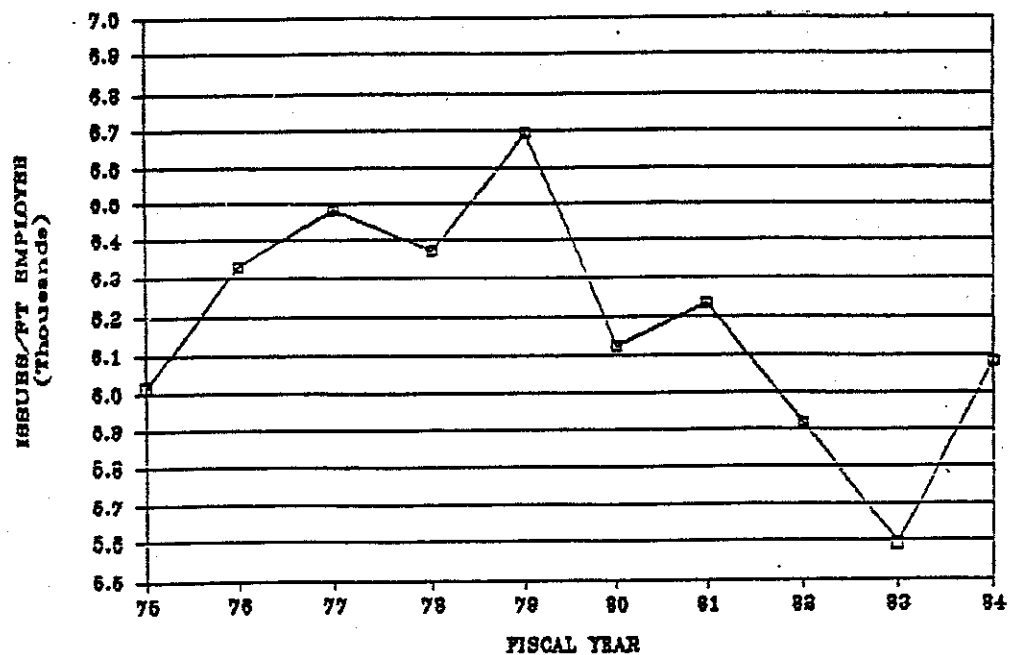


Figure II-7. Total Documents Issued Per Full-Time Employee, FY 75 - FY 84.



when these complaints are processed, there is no corresponding increase in the number of DMV issues.

The number of documents issued per employee was analyzed for five units and sections: examination and inspection; title; registry; data entry; and field operations. The results of this analysis are summarized in Figures II-8 and II-9. In the first four units, the issues per employee increased more than the department average, which increased at a rate of 1 percent. As Figure II-8 illustrates, an average of 2,752 driver license examinations and vehicle inspections were conducted for each employee in the examination and inspection section for FY 84. In 1975, there were 1,816 such issues for each employee. This is a 52 percent increase in the average workload.

The title section, excluding data entry and coding and re-entry personnel, received 13,210 title applications for each employee in FY 84 according to the information in Figure II-8. This is a 30 percent increase from the 10,190 title applications received per employee in 1975.

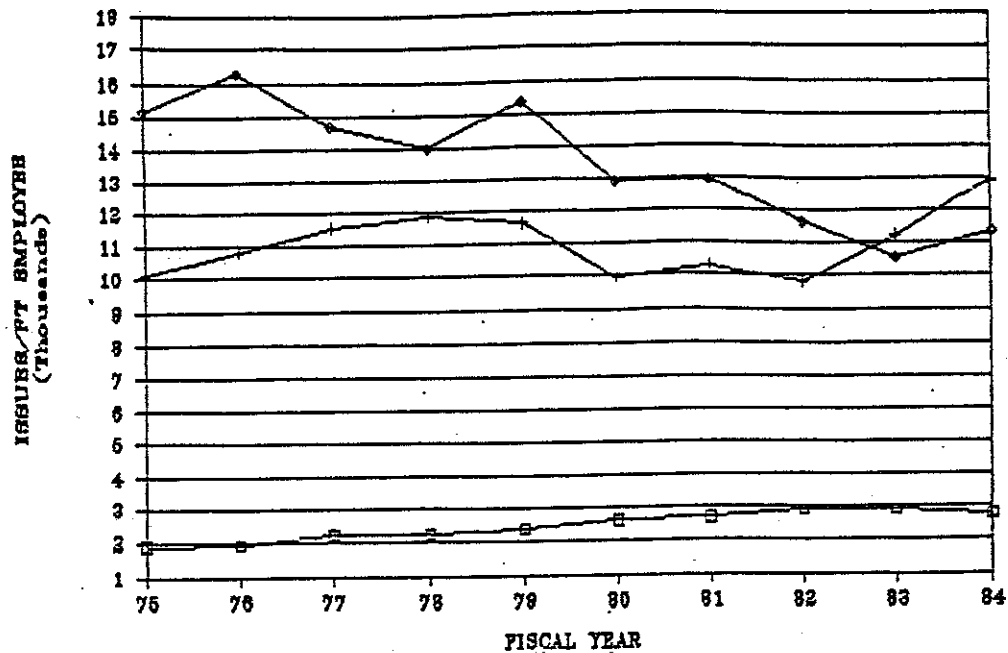
Figure II-9 shows that in 1984 there were 31,951 registrations issued per registry section employee. Registration issues per section employee in 1975 totaled only 28,929. Thus, the section has experienced a 10 percent increase in workload. While registry section employees do not review all registration applications, they are responsible for the support services to process these registrations (e.g., filing records, performing record searches, maintaining property tax information).

The largest increase in the number of documents issued occurred in the data entry unit where almost 20,000 more registration and title documents were issued per employee in 1984 than in 1975. (See Figure II-9.) In 1984, an average of 94,807 titles and registrations were issued as compared with 75,781 titles and registrations per employee for FY 75, a 25 percent increase.

Field operations employees who staff the branch offices were issuing an average of 11,034 licenses, titles, and vehicle registrations in 1985, as Figure II-8 shows. This is a 26 percent decrease in the 14,867 documents issued per employee in 1975. However, since 1975, steps have been added to the registration process and new functions assigned to existing field operations personnel. The additional duties of branch office staff include:

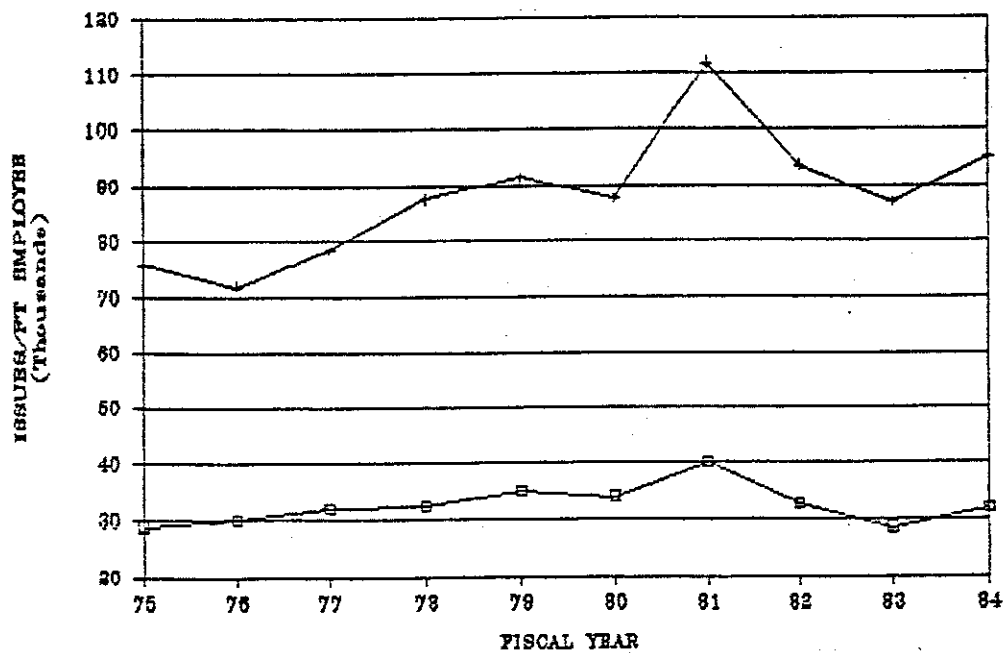
- checking no-fault insurance documents during registration transactions;
- requiring proof of emissions inspection for new registrations;

Figure II-8. Issues Per Employee: Examination and Inspection Unit, and Title and Field Operations Sections.



KEY: □ Inspections & driver license exams/exam & inspection employee; + Titles/title employee; ♦ title applications, registration renewals, & driver licenses/field operations employee.

Figure II-9. Issues Per Employee: Registry Section and Data Entry Unit.



KEY: □ Registrations/registry employee; + Registrations & titles/data entry employee

- more reviews of title documents at the time of registration, since the 1981 change in law requiring titles for all vehicles manufactured since 1970 (rather than just the previous 10 years);
- verifying by telephone call local property tax information if questions arise during a registration transaction; and
- taking applications, making appointments, and answering telephone calls regarding operator license examinations.

Comparison with Other State Motor Vehicle Agencies

To compare the resources of Connecticut's Department of Motor Vehicles with those of other states, program review staff collected statistics on motor vehicles agencies in the following seven states: Rhode Island, Maryland, New York, California, Virginia, Vermont, and Maine. In Table II-6, these states are ranked in terms of several categories.

The first category examined was the degree of service provided in each state by geographic area. To assess this, the number of square miles in each state was divided by the total number of branch offices in that state. In this service category, Connecticut ranked second to Rhode Island, with Connecticut providing a branch for every 250 square miles, while Rhode Island has a branch for every 152 square miles.

The second and third categories compared were the funds spent by each state in relation to the number of operators and to the number of registrants. To arrive at these figures the state motor vehicle agency budget was divided by the number of operators in the state and then by the number of registrants. Of the eight states, Connecticut ranked last in both categories, with an expenditure of \$9 per operator and the same figure per registrant. Virginia, which ranked first in terms of expenditures in these areas, spent \$16 per registrant and \$16 per operator.

Finally, the ratios of motor vehicle agency staff to total operators and registrants in each state were compared. While Virginia still ranked at the top in both categories, Connecticut was sixth in the first staffing category and seventh in second staffing category.

It should be noted that the information in the table compares only these services provided by each state-level agency responsible for motor vehicles programs. For this reason, the level of service in New York, Maine, and Virginia is somewhat understated since in

those states limited functions, typically registrations and registration renewals, are provided through county offices or licensed agents.

Table II-6. Comparison of Selected Motor Vehicles Agencies.

State	Sq. Miles/ Branches	\$/Regis- trant	\$/Oper- ator	Operators/ Employees	Registrants/ Employees
CT	250 (2)	\$ 9 (5)	\$ 9 (5)	2,580 (6)	2,612 (7)
RI	152 (1)	\$10 (4)	\$10 (4)	2,193 (4)	2,127 (3)
MD	961 (6)	\$14 (2)	\$15 (2)	2,079 (3)	2,188 (4)
NY	511 (3)	\$10 (4)	\$ 9 (5)	3,007 (8)	2,759 (8)
CA	1,030 (7)	\$13 (3)	\$14 (3)	2,371 (5)	2,533 (5)
VA	680 (5)	\$16 (1)	\$16 (1)	1,774 (1)	1,763 (1)
VT	601 (4)	\$16 (1)	\$15 (2)	1,945 (2)	1,929 (2)
ME	3,321 (8)	\$10 (4)	\$10 (4)	2,726 (7)	2,579 (6)

Note: Numbers in parenthesis are the ranking of states.

Source: LPR&IC Staff Analysis.

Management Functions Analysis

Among the key functions carried out by agency management are planning, evaluating employees, and monitoring the performance of operating units. To assess the management of the Department of Motor Vehicles, the Legislative Program Review and Investigations Committee staff analyzed DMV planning documents and procedures, the process for evaluating department personnel, and the agency's system for monitoring performance as well as implementing corrective actions. The results of this analysis are presented in the following sections.

Administrative plans. The Department of Motor Vehicles has developed five major planning documents: an administrative plan written in 1978; a 1980 update of the administrative plan; a data processing plan developed in 1984; a 1985 update to the data processing plan; and a 1985 office automation plan. The 1985 data processing update was not completed until late in the performance audit, and thus, is not discussed in the following analysis. The department's budget, also a key planning document, is submitted to the legislature each year.

Both the 1978 plan and its update were written in response to the governor's request for administrative plans from all state

agencies. In these documents, the department identifies projects to be completed in the following six-month, one-year, and four-year time periods.

Approximately 120 projects affecting all five DMV divisions are listed in the 1980 plan update. Many of the short-term goals, i.e., six-month projects, concern implementing legislation and increasing document fees. As the timeframe for implementation lengthens, the focus of the projects shifts to program and policy changes.

The computerization of department procedures is one of the primary goals of DMV long-term (four-year) projects. The Driver Licensing, Dealers and Repairers, and Registration and Title Divisions are all targeted for improvements in automation. Among the projects planned are:

- the modernization of data entry and information retrieval techniques for registration and title documents;
- a study of methods to automate the Dealers and Repairers Division consumer complaint system;
- "movement" toward the automation of driver licensing records so that suspended driver licenses can be reinstated at branch offices;
- the automation of the delinquent property tax file, renewals for flashing light and siren permits, and renewals for driving school instructors' licenses; and
- the automation of equipment inventory controls.

The reorganization of several DMV sections is proposed in the 1980 administrative plan. Included in this reorganization are:

- the establishment of two sections within the Dealers and Repairers Division--one to handle customer complaints and the other to inspect and reinspect licensees;
- the establishment of an engineering support unit to set and enforce safety inspection standards;
- the establishment of a budgetary analysis unit to analyze and forecast each division's expenditures;
- the coding and re-entry and mail processing units; and

- the integration of the International Registration Plan into the registration system.

The 1980 update also includes plans for training programs for management personnel and for Registry and Title Division staff.

No further update of the administrative plan has been prepared since 1980. However, DMV officials reported that the plan is informally reviewed to assess the department's progress in meeting its goals.

Program review committee staff conducted a survey to evaluate the department's success in implementing proposals outlined in the 1978 and 1980 administrative plans. Department officials were given questionnaires describing each project proposed, the plan in which it was proposed, and the projected date of implementation. The department was asked to provide information, including the completion date and budget requirements, for each proposed project.

A total of 131 projects were reviewed in the survey. However, the department did not provide a completion date, or specified that the plan was only partially implemented, for approximately one-quarter (35) of the proposed projects. The remaining 96 projects were analyzed to determine if they were completed on time, implemented behind schedule, or never completed. As shown in Table II-7, over half of the proposed projects were never completed, and only 23 percent of the projects were completed on time.

Table II-7. Completion Rate for Proposed Projects.

Never Completed	57.3%
Completed Behind Schedule	19.8%
Completed on Schedule	23.0%

Source: LPR&IC Staff Analysis.

While department officials were asked to identify budget requirements for all proposed projects, 63 percent of the time there was no response to this question. The department did identify the budgetary requirements for 49 of the 131 proposed projects. According to department officials, requested funds were denied for only 4 percent (2) of these 49 projects. (See Table II-8.)

Table II-8. Funding Requirements for Proposed Projects.

No Funds Required	51.0%
Funds Allocated and Expended	28.6%
Funds Requested/Not Appropriated	4.1%
Other	16.3%

Source: LPR&IC Staff Analysis

Data processing plans. The Department of Motor Vehicles is one of the largest computer users in state government with over 30 million computerized records. Because many of the department's duties involve processing documents and recordkeeping, data processing affects nearly all of the transactions performed by the department. Thus, the limitations of the department's data processing systems are, to a large degree, the limits of the department's ability to process documents effectively and serve the public.

The department developed its 1984 data processing plan in response to a legislative mandate that all state agencies provide the Department of Administrative Services with plans outlining their long-term data processing needs. The DMV plan outlines the data processing systems currently in use, proposes 28 new projects, prioritizes these projects, and estimates the cost of implementation.

The data processing plan is an attempt to upgrade the department's data entry and retrieval capabilities in all five of its divisions. During the 1960s, the department established many of its computer systems. While these systems were adequate 20 years ago, advances in computer technology have made them outmoded in the 1980s.

For instance, many of the department's computer systems use batch processing, which means that there is a delay between the time that the data are entered and the time when they are actually processed by a computer program. Because of the department's large data processing workload, schedules have been established for each unit's data entry and computer processing work. In most cases, an operating unit's data are entered and processed only once a week, which means that records may backlog for up to seven days before they are entered onto the computer. Another seven-day delay can occur if corrections must be made in the data initially entered.

These delays in data processing are compounded by the fact that many DMV units have large backlogs in the issues to be processed, and documents may not reach the data entry unit for a period of months. On one occasion, program review committee staff observed keypunchers entering two-month-old registration documents. In the title section it can take up to three months before title information is prepared for data entry.

Batch processing delays create problems for a number of DMV units and the general public served by those units. For example, the suspension and court records unit relies on computer processing to keep up-to-date driver history and suspension files. These files are used by the state police and other law enforcement agencies to determine if an individual's driver license is under suspension. Because the department's computer system does not record license reinstatements at the time they occur, this file may show that a driver is under suspension weeks after his or her license has been restored. To prevent an arrest for driving with a suspended license, DMV advises drivers to keep their restoration receipts with them for at least a month following the reinstatement of their licenses.

One of the DMV data processing goals is to modernize batch processing systems to allow on-line, interactive data entry. Using this system, the data entered would be compared to existing computer files, errors identified, and corrections made. The department believes that on-line systems would allow more timely entry of data into computer files and would reduce the number of employees needed to correct data entry errors.

In January of this year, the department converted its registration data entry system from a batch processing to an interactive system. As Table II-9 shows, the first priority of the 1984 data processing plan is to create a similar system for the entry of title data. The completion of the title project was initially projected for January 1986. While part of this project has been completed, the department has not yet determined what kind of title information should be entered on-line. As a result, the project has been delayed, and the implementation date is uncertain.

Table II-9. Data Processing Plan--Top Five Priorities.

1. Modernize the computer system for title documents to allow on-line data entry and retrieval of title file information.
2. Update the computer system for driver histories to allow more rapid (on-line) reinstatement of suspended driver licenses.
3. Improve the motor boat registration system.
4. Enhance the Dealers and Repairers Division computer systems.
5. Implement the International Registration Plan (IRP).

Source: DMV Long-Range Data Processing Plan
(August, 1984).

The department's second priority is to create an on-line system for the reinstatement of suspended licenses. This project is scheduled for completion within the next six months.

Once reliable on-line systems have been established, then the department's goal is to "move all data entry transactions as close as possible to the point of transaction (i.e. registration - The customer at the counter, Titles - D.M.V. title examiners...." (DMV Long Range Data Processing Plan, p. 7). However, these are long-range goals. The data processing plan does not include a proposal for data entry by title examiners, and the proposal for registration data entry at the point of transaction is the department's 25th priority out of the 28 proposals listed.

Many of the projects planned are to modernize current DMV programs. Both the third and fourth priorities would update existing computer systems. The plan also proposes to update the department's computer program for accounting records (16th priority).

The plan also addresses new programs. The fifth priority is to implement the International Registration Plan (IRP), a program where states agree to prorate truck registration fees depending on the number of miles a trucker drives in each state. The program was operational as of April 1985.

Office automation plan. In 1985, the department completed a study of the department's office automation needs. The study recommends and prioritizes 25 projects to modernize office automation in all DMV divisions. These projects are intended to automate department correspondence (through word processing), report generation, statistical analysis, and stock and equipment inventory control.

The department's top five automation priorities are listed in Table II-10. The first four projects are to provide word processing equipment to the directors of the registry section, Driver Licensing Division (including the division's two assistant division directors), communications unit, and field operations section. In its discussion of field operations' needs, the study also assigns a high priority to the establishment of an automated system to store and analyze customer waiting-time data collected by the branch offices and to develop and update procedure manuals and training materials.

The study's fifth priority is to upgrade department typewriters. While the needs of specific units are not discussed in the recommendation, program review committee staff observed widespread use of outdated manual typewriters throughout the department. The study states that an assessment of the department's typewriter needs is underway and recommends a separate plan for typewriter purchases.

Table II-10. Office Automation Study--Top Five Priorities.

1. Word processing equipment for the assistant director of the registry section.
2. Word processing equipment for the director of the Driver Licensing Division and his two assistant directors.
3. Word processing equipment for the director of communications.
4. Word processing equipment for the assistant director of the field operations section.
5. Upgrade department typewriters.

Source: DMV Office Automation Study, 1985.

Staff evaluation. The Department of Motor Vehicles evaluates its employees' work through performance reviews conducted by each staff member's supervisor. The department has not established a standard schedule for performance appraisals--annual reviews are not mandatory, nor are reviews required when an employee receives a step increase in pay. However, managers are encouraged to submit performance appraisals for employees who are not meeting their expectations, and to conduct follow-up reviews to monitor subsequent changes in employee performance.

Performance reviews are required for all newly hired or promoted employees after they have completed a test period, i.e., assumed their new responsibilities for four to six months. Following the test period, supervisors rate employees on how well they have performed. Employees with unsatisfactory performance will not be retained in their new positions.

The department uses standardized evaluation forms to assess employee performance. While three different appraisal forms exist, the categories evaluated in all three are similar. All staff members are rated on a scale of "unsatisfactory" to "excellent" in the following areas: quantity of work; quality of work; and ability to deal with people. Managers are also rated on their initiative, cooperation, judgement, and ability to learn new duties. The department uses these general categories instead of specific job-related goals to assess the performance of its employees.

In many state agencies the establishment of job-specific goals for managers is required as a result of participation in the Management Incentive Plan (MIP). This program is administered by the Department of Administrative Services and funds merit increases for managers in participating agencies. An agency participating in MIP must have each manager develop "clear, achievable, measurable, results-oriented performance objectives consistent with the unit's and the agency's priorities and mission...." (Department of Administrative Services Planning and Appraisal Record for the Management Incentive Plan.) These objectives must be used to evaluate a manager's performance and to indicate areas where corrective action is necessary. The intent of the plan is to increase the agency's effectiveness by linking its managers' pay increases to the achievement of identified goals.

The Department of Motor Vehicles is one of only eight major state agencies that has not developed a management incentive plan. In 1979 and 1980, the department submitted MIP proposals to the Department of Administrative Services but these plans were rejected. At the time of the committee's study, the department had not resubmitted another plan.

Because the department does not participate in MIP, its managers are ineligible to receive merit pay increases authorized under the plan. Department managers are eligible for annual merit increases of up to 3.5 percent of their pay if these increases do not exceed their maximum position rate. (See C.G.S. Sec. 5-210(d).) However, the management incentive plan allows for pay increases greater than 3.5 percent and in excess of the manager's maximum position rate. Thus, because the department has not developed a MIP program, its managers could be losing thousands of dollars in merit increases.

Implementation and monitoring. As the above discussion of the department's various plans indicates, there is no single unit in the department responsible for planning. Similarly, responsibility for implementing new projects is also decentralized.

If the department determines that major changes are needed in its programs, usually a steering committee is usually formed to determine specifically what changes should be made and how they will be implemented. Steering committees are generally composed of: managers from the program under revision; a management analyst; a data processing manager; a fiscal analyst; and a chairperson, frequently the director of communications. Working groups, referred to as applications transfer teams (ATTs), may be formed to assist the steering committees in planning and implementing proposals.

Among the project proposals coordinated by steering committees in the past were photo licensing, one-stop registration, and the emissions program. The department currently has one active steering committee to oversee the implementation of the data processing plan.

Review of department planning and staff evaluation procedures also revealed that the Department of Motor Vehicles has not developed a systematic method of monitoring its performance. While DMV has increased its planning activities in recent years, the department has not formally reviewed its performance on a regular basis, nor has it developed specific standards against which to measure its performance. Instead, decisions to change department procedures are generally the result of input from one or more of the following sources: customer complaints; legislative mandate; fiscal and management audits; or discussions among department administrators about operational problems.

Telephone System Analysis

One of the primary ways for customer to obtain information from the motor vehicles department is over the telephone. An effective telephone system, therefore, is essential to providing good customer

service. The program review committee staff analyzed the current DMV phone system to determine how customers were being served.

The department keeps no comprehensive information on its phone equipment, phone line staffing, or the number of calls it receives. While a full count of DMV phone lines is not available, a program review committee staff examination of DMV phone accounts identified 252 lines through which the public can access agency personnel. The public can reach the branch offices directly through 63 of these lines, while there are 30 information numbers listed in the blue pages of the Hartford telephone directory that access the central office in Wethersfield. Remaining lines are for "spillover" calls on publicly listed numbers or reach staff and units not listed in a public phone book.

The program review committee staff determined that at least 47.5 persons are answering phone calls on a full-time basis throughout the department. This figure is based on the committee staff's observations of personnel working in the branch and central offices.

The program review committee staff also observed that for many DMV employees answering phones is a task carried out in addition to other duties. For example, when visiting motor vehicle branch offices, program review staff noted that typically one person was assigned to answer the phone lines full-time, but the branch manager or assistant manager--and sometimes both--also answered phones while attempting to carry out their other responsibilities.

In another case, program review staff noted employees in the personnel unit answering phone questions about DMV office hours. Similarly, mail processing unit staff indicated that they often receive calls regarding title questions. Based on these examples, it appears that present listings may not make it clear which phone number accesses the unit that could address a customer's particular problem.

Since no numbers are listed as general information lines, getting information can occur by trial and error. In addition, a caller who cannot get through on the number desired may then call any DMV number that is not busy, even though the employee contacted may be inappropriate to answer the person's question. Frequently, the responding unit is not only unable to answer the customer's question, but also must spend work-time trying to redirect the call or take a message.

Because of public complaints regarding phone accessibility, especially in the Southwestern part of the state, the legislature, appropriated \$78,250 in the FY 85 DMV budget to operate a rollover (or call-forwarding) phone system. The system, which began in late 1984, takes calls that cannot access the Norwalk, Stamford, and

Danbury branches--because all lines are busy--and rolls them over to a nonpublic line that then sends the calls to a phone center at the central office in Wethersfield.

The system in Wethersfield that takes the rollover calls was originally designed in 1983 to permit toll-free statewide access to the department (via an "800" number) for customers with emissions program problems. It is usually staffed by four full-time and three part-time employees. Although these department personnel are prepared to answer all types of calls, including the general questions usually answered at the branches, the phone listing remains under an emissions program heading that refers customers requiring technical information or resolution of a special problem to the "800" number. In fact, the general public is not aware that questions other than emissions related inquiries can be answered at that number.

A benefit of the department's rollover phone center system is that the number of phone calls received is mechanically recorded along with processing times, abandoned calls, and other types of monitoring data. These and the data generated by the department's two other phone centers, which are located in the driver improvement unit and in the change-of-address section within the mail processing unit, are the only statistics available on phone calls received by the agency.

Data on the emissions "800" phone system have been collected by the department since January 1984, although the system was capable of generating statistics when it was installed in 1983. Figure II-10 depicts data on the number of phone calls and shows some interesting trends. Not surprisingly, the number of calls has risen substantially. In calendar year 1984, the average number of calls per month was 6,346, while the 1985 monthly average (as of June) was 8,771. The lowest number occurred during January 1984, when 4,511 calls were taken. The greatest number of calls per month occurred in March 1985, with 10,399 operator-handled calls recorded.

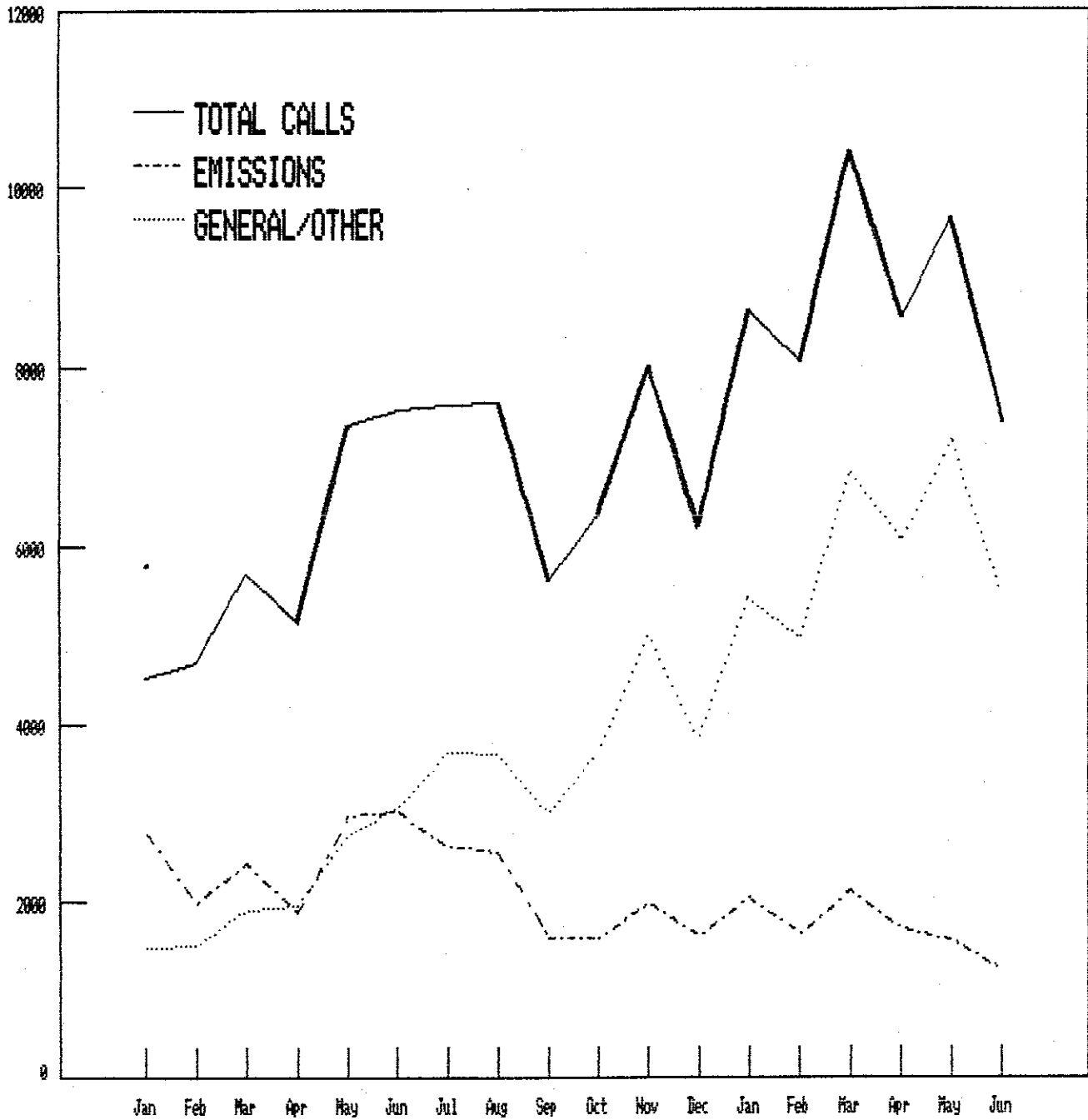
In addition to keeping track of total calls taken, the department also categorizes the calls according to three types: 1) emissions; 2) dealers and repairers; and 3) general/other. The graph in Figure II-10 also shows that the type of calls coming into the department on this phone system is significantly changing, with more general calls and less emissions inquiries, coming in. Since the department began collecting phone data, the percentage of emissions calls has decreased 29 percent--from 2,423 calls in March 1984 to 1,190 calls in June 1985. During the same 15-month period, the general information calls have increased by 35 percent--from 1,189 calls to 5,435 calls. The dealer and repairer calls, not shown on the graph, remained constant.

Figure II-10.

DEPARTMENT OF MOTOR VEHICLES

CALLS TO PHONE CENTER

PHONE CALLS



FROM JAN 84 TO JUNE 85

While the rollover system from the branches has certainly contributed to the increasing number of general calls, that type of call had already begun increasing even before the rollover system was initiated. For example, from March to September 1984, the general calls grew by 8 percent--from 33 to 41 percent of the total.

Proposed improvements. According to the state's director of communications, the department's equipment, rented from the local phone company, is not inexpensive despite being outdated. Excluding personnel costs, the agency's phone system will account for approximately \$513,000 of its FY 86 budget. The director further indicated that a change in Federal Communications Commission regulations, which will take effect in 1987, will result in dramatically increasing costs. The regulations will leave the state little choice but to replace the equipment that is now rented from the local phone company.

Initially, the Department of Motor Vehicles had planned to upgrade its phone system through three FY 87 budget options submitted to the Office of Policy and Management. In these options the department requested funding for three separate phone centers: a new one for the billing and mail processing units; a new one for the suspension and court records unit; and an expansion of the current rollover system to handle rollover calls from more branch offices. The cost for these proposals, estimated to be \$231,600, includes personnel and equipment such as computer terminals, call-sequencers, and office furniture.

However, since those budget options were submitted, the department received a report prepared by a Department of Administrative Services technical consultant that calls for a more comprehensive system. The consultant's report outlines a department-wide centralized telephone system, but includes no suggested staffing levels or implementation schedule.

At the time the program review committee's review concluded, the department was still meeting with the state's telecommunications division to firm up plans for a new telephone system. The future of either the department's budget options or consultant report proposal was uncertain.

Centralized Processing Analysis

The department's central office mail processing unit was established to handle transactions that do not require a customer's presence. By permitting documents such as registration renewals to be processed by mail, customer convenience is increased, and demand for branch office services is reduced. An effective central processing function, therefore, can have a direct impact on customer waiting times at branch offices. The following sections contain the

program review committee staff analysis of the current DMV mail processing program as well as the agency's procedures for handling "dealer drop-off" work, another source of bulk transactions.

Mail processing unit performance. During FY 85, the mail processing unit processed over 562,000 transactions, about three-quarters of which were mail-in registration renewals. Valid-without-photo operator licenses, mail-in title work (e.g., duplicate title requests), and boat registration renewals were among the other transactions processed by the unit. Only 10 of the 23 mail processing unit employees spend all or most of their time processing mail work. Three mail processing employees actually spend all their time staffing agency telephone information numbers; two other mail processing employees are responsible for receiving all phone calls reporting a change of address.

Due to inadequate resources within the unit, all mail-in registration renewal work cannot be centrally processed. In FY 85, over 672,000 registration renewals mailed in to the department were processed. However, only about 442,000 were done by mail processing staff. The remainder were sent to branch offices, where the equivalent of six person years was spent on processing mail work from the central office.

On average, one-third of the registration renewals mailed in each month to the department's central office for processing are subsequently sent out to the branch offices. This occurs because the mail processing unit is unable to process the volume of renewals received and return them to customers before current registrations expire. A department study conducted earlier this year further showed that for the mail work it retained, the mail processing unit was able to meet its target date (the last date renewals can be processed and returned to customers prior to registration expiration) only 66 percent of the time.

Mail processing systems. The department's current mail processing system is basically a manual operation. Other than an automatic mail opening machine, all mail is removed from the envelope, sorted, and examined by hand. Six people are generally assigned to these functions. Once the mail has been examined, it is sent to the cashiering section of mail processing, where four cashiers are responsible for examining checks, accounting, and validating as well as handstuffing some envelopes for return mailing.

The program review committee staff calculated that, under present conditions, the unit processes about 34 mail-in registration renewal transactions per hour. This figure is based on the total number of registration renewal transactions completed in FY 85

(442,550) and an estimate of the actual hours worked (work hours minus sick, vacation, and break time) by the 10 mail processing staff assigned to complete these transactions.

A model centralized mail payment processing operation at Northeast Utilities was investigated by committee staff for comparative purposes. The facility at Northeast Utilities, which handles 1.2 million mailed-in payments a month, has 12 automated work stations, each capable of processing up to 800 transactions an hour. The performance standard for the employees who operate the stations currently is 600 transactions processed per hour.

To determine the impact of similar automation within the DMV mail processing unit, the program review committee staff first assumed that processing a mail-in registration renewal transaction would take about three times as long as processing a utility payment due to the additional documents that require examination. Based on this assumption, the Department of Motor Vehicles could expect to complete 200 mail-in registration renewal transactions an hour by using an automated remittance processor like those found at Northeast Utilities.

Given the volume of mail-in registration renewals received at the department during FY 85 (675,000), program review staff estimated that two such work stations could handle this entire workload as well as any significant future increases. Conversations with the vendor of the Northeast Utilities automated remittance processors indicated that each work station, equipped with some information system capabilities and automatic data transferal to a main computer file, should cost approximately \$100,000.

The Department of Motor Vehicles has anticipated automating the mail processing system and to date has requested and received in its budget the funds (\$128,000) necessary to purchase equipment. However, as of November 1985, the department still had not completed its "request for proposals" for the automated system. According to department officials, the Wethersfield office also is not yet electrically equipped to handle such a system.

Processing dealer work. At present, most registration transactions initiated at automobile dealers are processed in bulk at branch offices, although staff in the mail processing unit also carry out this function. Dealer work, which consists of new and transferred registration applications, can be dropped off in batches at motor vehicle offices for bulk processing or brought to a branch office counter by dealer employees on behalf of their customers.

The department estimates that one of every two registration applications processed are received via dealers. Based on this

estimate, dealer work processed at the counter or dropped off in bulk at the branch offices in FY 85 amounted to about 312,000 registration transactions.

No department figures are available on the portion of dealer work that is dropped off in batches for bulk processing at branch offices. However, based on informal data kept by the Wethersfield branch office manager, at least 33 percent of all registration applications processed at branch offices are originally dropped off in batches by dealers. A conservative estimate of just the bulk dealer work dropped off at branch offices in FY 85, therefore, is over 206,000 transactions.

Statistics from the mail processing unit, maintained only since August 1985, indicate that from August through October 1985, between 700 and 1,000 dealer drop-off transactions are processed by that unit per month. Two mail processing employees, assisted by the four boating unit staff when available, are assigned to this work. The dealer drop-off work done at the branch offices during FY 85, according to a program review committee staff estimate, required the equivalent of about 16 employees.

CHAPTER III

FINDINGS AND RECOMMENDATIONS

The Legislative Program Review and Investigations Committee identified four major areas where the Department of Motor Vehicles management needs improvement. First, the department does not regularly evaluate where it is, where it has been, and where it should be going. While the department has developed plans, there is no comprehensive planning system to establish goals and objectives and propose programs to achieve those goals. As a result, problems are not always addressed in a timely manner, and opportunities for improvement are lost.

Second, there is no systematic analysis of department performance at either macro or micro levels. The performance data collected by the department are limited; the staff time, expertise, and automation necessary to analyze performance data are unavailable. Third, the performance of department staff is not regularly evaluated. Thus, there is no system to monitor and reinforce the achievement of department goals and performance standards. Finally, the current organization of the department compounds its management problems.

A number of the recommendations contained in this chapter are intended to address these management deficiencies by:

- requiring comprehensive, annual planning;
- providing staff resources for planning and performance monitoring;
- improving staff evaluation procedures; and
- reorganizing the department.

The chapter also includes the program review committee's findings and recommendations on key central office operations, specifically: employee training activities; the agency telephone system; the centralized document processing function; and data processing and automation. In each case, the goal of the recommendations is to increase the efficiency, productivity, and competence of department staff. The program review committee believes its proposed actions in these areas will have a significant impact on the quality of customer services at branch offices as well as the central office.

Department Reorganization

The Department of Motor Vehicles is not organized to carry out customer service programs. The department's fragmented structure decentralizes management responsibilities, diminishes accountability for performance, and results in too many managers reporting directly to the commissioner. Comprehensive planning, which can lead to more efficient use of resources and better customer service agency-wide, is inhibited under the present organizational structure.

A major organizational problem with the motor vehicles department is the absence of a unit to aid in overall management planning and monitoring of the agency. While division heads carry out planning functions for the programs they implement, responsibility for integrating such plans, setting priorities among the various programs, reviewing historical patterns, and projecting trends of department activities rests with the commissioner. To assist with this responsibility, the commissioner occasionally forms ad hoc committees, usually in reaction to existing problems. A permanent staff responsible for agency-wide planning and performance monitoring does not exist within the department.

Furthermore, existing units in the Management Services Division do not produce information needed to evaluate services and make decisions for improvements. Units such as personnel, accounting, and budgeting are primarily concerned with carrying out the administrative aspects of their functions. Performance indicators concerning specific programs, if available, must be obtained from the individual program managers. The fact that few valid, reliable performance measures are produced or reviewed in either customer service or administrative units is further evidence of the weak management controls that result from fragmented organization.

Finally, the program review committee found many aspects of the department's organization to be illogical from a management perspective. Single function, in some cases one-person, units proliferate; at the same time, disparate types of staff and functions are combined in other units or sections. Organizational decisions appear to be made on the basis of tradition or resource availability rather than management principles. While such placement of staff and functions may not directly impede provision of services, management controls are weakened. Accountability for improving the quality of service is more difficult to establish when responsibility for providing services is spread among many divisions and units.

To improve accountability and strengthen agency management, the Legislative Program Review and Investigations Committee recommends that:

1. The Department of Motor Vehicles be organized into two bureaus, programs and administration, each headed by a deputy commissioner who reports directly to the commissioner. Within the Programs Bureau, there should be the following divisions, each headed by a division chief:

- customer services: field operations, responsible for all public services provided at branch offices including registration, title, photo-license, driver licensing examinations, and vehicle inspections;
- customer services: central operations, responsible for all centrally provided public services including operating a telephone information center, issuing titles, processing transactions not generated by walk-in customers, refunds, corrections, and requests for copies of records;
- emissions, responsible for overseeing operation of the state auto emissions program; and
- regulation and enforcement, responsible for programs to control and improve drivers, the regulation of motor vehicle businesses, and the enforcement of motor vehicle laws and agency requirements concerning such matters as public service vehicles, anti-theft measures, and no-fault insurance.

Within the Administration Bureau, there should be the following offices, each headed by a director:

- fiscal affairs, responsible for budgeting and accounting functions;
- information systems, responsible for data processing and the creation and maintenance of automated information systems;
- adjudications, responsible for operating the agency's administrative hearing process;
- public information, responsible for public relations and media liaison matters;
- policy and procedures, responsible for

developing and interpreting laws, regulations, and guidelines concerning motor vehicles matters;

- human resources, responsible for personnel, payroll, and staff development matters; and
- support services, responsible for mail, stock and inventory, and property management matters.

In addition to the divisions and offices outlined above, there should be:

- a planning and operations research unit, responsible for performance monitoring and long range planning; and
- an internal audit unit, responsible for assuring the financial integrity of department activities.

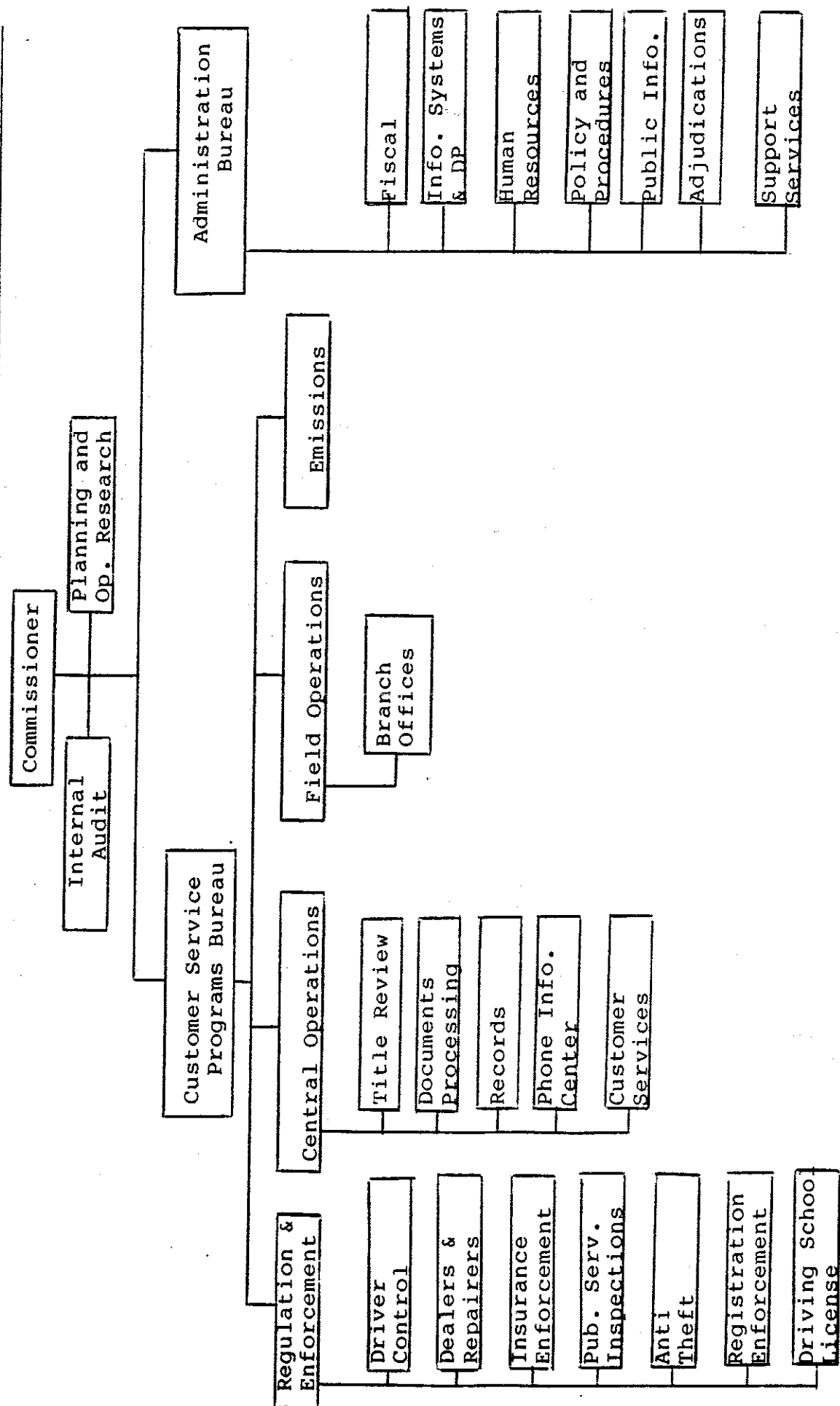
The directors of the planning and operations research unit and the internal audit unit should report directly to the commissioner.

The committee believes that its recommended reorganization will, above all, promote customer service as a department priority. A proposed table of organization based upon the recommendation is presented in Figure III-1.

Under the recommendation, responsibility for all programs rests with a single manager, the Programs Bureau deputy commissioner, thus permitting a comprehensive management approach to customer services. Similar functions and types of employees are aligned within the four divisions that comprise the Programs Bureau. Staff that work primarily with the public are all within a Field Operations Division, while staff that work mainly with automated systems are consolidated in a Central Operations Division. Similarly, a Regulation and Enforcement Division encompasses agency personnel assigned to investigation and/or analysis functions. Operation of the emissions program, primarily a contract management function for department staff, remains a separate division but is linked to other customer services through the deputy commissioner for programs.

By consolidating like functions organizationally, opportunities for shifting resources to meet fluctuating workloads and for automating procedures can be more easily identified and acted upon. Unifying field operations management, for example, will permit branch managers to apply all staff resources available in an office to reducing customer waiting times. Likewise, the head of central operations in the recommended organization would be responsible for monitoring the workload of each central processing unit and shifting personnel among units, if necessary, to prevent backlogs and/or

Figure III-1. Proposed Department of Motor Vehicles Organization



processing delays. It would also be up to the central operations chief to assess the potential for new and expanded automation of the high volume activities carried out by this division.

The recommended reorganization also enhances the services that support DMV management. Lines of authority for the various administrative offices are clarified, with each reporting directly to a single deputy commissioner. This deputy commissioner, in reviewing and directing all administrative operations, will be able to identify and address gaps in management information produced, such as overtime usage and employee leave time taken. Automation needs within administrative areas, such as payroll records and equipment inventory, for example, also can be identified and prioritized by the head of administration.

The critical need for planning and operations research is recognized within the recommended organization. A new unit to carry out this function on a full-time basis is created and reports directly to the commissioner. The new agency structure also clarifies that the internal audit unit reports directly to the commissioner, thus assuring its independence from the operational managers it audits. The importance of both units in assisting the commissioner to make policy and management decisions is reflected by their high level placement in the agency.

Finally, the commissioner's role as an agency head responsible for department-wide policy and management decisions is clarified by reducing the number of units and divisions reporting directly to him or her from 10 to 4. The two deputy commissioners, in their roles as bureau chiefs, are responsible respectively for assuring the efficient and effective performance of customer and administrative services. Thus, the commissioner is free to concentrate on establishing long-range goals and objectives, setting priorities among the department's many diverse tasks, and insuring that the means for implementation are obtained.

Planning, Performance Monitoring, and Staff Evaluation

The Department of Motor Vehicles employs approximately 1,000 staff, administers a budget of over \$26 million (excluding emissions), and collects over \$160 million in annual receipts. Yet, department management has not systematically evaluated and monitored the way in which it utilizes these resources.

Comprehensive, department-wide planning has been limited. Since 1978, the Department of Motor Vehicles has developed five major planning documents. However, the most recent plans have focused strictly on data processing and office automation proposals--the long-term needs of the department as a whole have not been evaluated since 1980.

Some of the operational problems identified five years ago have not been addressed subsequently in department plans. The 1978 and 1980 comprehensive plans cite the need to improve employee training and reorganize some department functions (e.g., budgetary analysis and mail processing). Because these issues are outside the scope of data processing plans, they are not considered in the department's 1984 and 1985 plans.

As a result of their narrow focus, current long-term plans offer only partial solutions to complex problems. For example, to solve a major problem such as long waiting times in the branch offices, a broader planning approach, which looks at branch operations in their entirety, is required.

The program review committee also found that the department has been slow in implementing some of its proposed programs. The planning survey discussed in the previous chapter revealed that only 20 percent of the projects proposed in various departmental plans with a specified implementation date were completed on schedule; 23 percent of the proposals were completed behind schedule; and 57 percent of the projects were never completed.

Implementation delays have affected the department's ability to resolve some of its most pressing problems. For example, both the 1978 and 1980 plans contain proposals to automate department procedures (e.g., establish on-line registration and title data entry, on-line restoration of suspended licenses, computerized delinquent property tax files, computerized inventory controls, etc.). However, for all of the above mentioned programs, the department has been unable to meet its implementation dates.

Department officials point out that they cannot always control the factors necessary to implement their proposals. For example, a plan may be contingent on the actions of other agencies or the legislature. However, in some cases, a lack of forethought within the Department of Motor Vehicles appears to be the primary cause for delays in implementation. For instance, in 1980 the department lapsed \$400,000 in appropriations for automated data entry procedures. Department officials cite a lack of technology, a high staff turnover in the data processing section, and the high cost of the system's operation had it been completed, as the reasons for the plan's delay. If the department had developed an implementation strategy, these problems could have been discovered and corrective actions taken before the department asked for implementation funds.

This lack of planning is also evident in some of the department's current proposals. As discussed in the previous chapter, the establishment of a point-of-transaction data entry system is one of the primary goals of the department's data processing plan. This is a large undertaking requiring the automation of a number of department functions to support the

point-of-transaction data entry system. In its 1984 and 1985 data processing plans, the department has established deadlines for the automation of these support functions.

However, the department is in the process of automating support functions for point-of-transaction data entry without a clear understanding of how the data entry system will operate. The department has not yet begun its study of point-of-transaction data entry; nor do current plans call for an immediate study of this system. While department officials state that they are continuously reviewing technological advances related to point-of-transaction data entry, a study of the type of system needed and the way in which it will be implemented will not begin until 1989. In addition, there is no established target date for the implementation of the entire point-of-transaction data entry system.

Despite frequent delays in the completion of long-term projects, the department has not developed a staff evaluation system that holds employees accountable for the completion of planned programs. As noted earlier, many state agencies link managers' pay increases to the achievement of planned goals and objectives. However, the motor vehicles department does not regularly review employee performance, and when employees are reviewed, it is on the basis of general work measures rather than job-specific goals.

Staff evaluation is made more difficult by the lack of quantitative data on employee performance. In most cases, output data are not available to calculate productivity. Furthermore, there are no established standards for satisfactory output levels.

This lack of data also frustrates efforts to evaluate the performance of units within the department. The workload, productivity, and staffing needs of most department units cannot be accurately calculated. The problems created by the lack of performance data are cited throughout this and the committee's other three performance audit reports on DMV branch offices, title operations, and the Dealer and Repairers Division.

In the absence of such data, management decisions are based on intuition rather than on factual analysis. The result has been: an uneven allocation of workload in the title section and branch offices; an inability to respond to customer demand by accurately determining the staffing levels required to meet that demand; and an inability to justify budget requests for additional staff and equipment.

To address deficiencies in planning, performance monitoring, and staff evaluation, the Legislative Program Review and Investigations Committee recommends that:

2. The Department of Motor Vehicles develop a five year plan by January 1, 1987. The plan should encompass all department operations and address at least the following areas: customer service; data processing; facility improvement; and employee training. The plan should prioritize all programs proposed and provide implementation strategies for each proposal that include measureable objectives, time frames, and cost benefit analyses whenever possible. The plan should be annually updated and submitted to the General Assembly and the governor in conjunction with the department's budget requests. The annual update should include an explanation of any delays in implementing proposed programs.

3. The Department of Motor Vehicles should establish a planning and operations research unit to be operational by January 1, 1987. This section shall be responsible for:

- establishing performance indicators for all units;
- assisting other units in developing workload measures;
- collecting and analyzing data on department performance including trends and changes in customer service level;
- preparing monthly and annual reports of performance indicators for unit managers;
- analyzing resource needs, costs, and benefits of program proposals;
- monitoring and assisting in the implementation of planned programs; and
- providing technical planning assistance to the department.

4. The planning and operations research unit should consist of four staff members and a director. The director should report directly to the commissioner. The director should have work experience in at least two of the following areas: management information systems; statistical analysis; strategic planning; and operations research. Each staff member should have work experience in at least one of the above areas, and all four areas of expertise should be represented on the section's staff. In addition, the current management analysis unit should be incorporated within the planning and operations research unit under the supervision of the section's director.

5. The Department of Motor Vehicles should develop a system to annually evaluate the performance of all staff members. Pay increases for managers should be based on the manager's effectiveness in implementing projects outlined in the department's budget and long-term plans. Job-specific goals should be established for all department employees, and annual evaluations and pay increases should be based on the achievement of these goals.

Planning. The recommendation mandating a five-year plan will assist both the Department of Motor Vehicles and the General Assembly in planning and evaluating the department's resource needs. The submission of a long-term plan to the legislature will require the department to annually evaluate its goals and objectives and determine how best to meet those goals. Because the plans will be comprehensive and prioritized, programs throughout the department will be regularly reviewed.

This information can be used by the General Assembly and the executive branch to monitor the department's success in implementing proposed programs and to evaluate the department's future funding needs. The annual updates will identify any areas where the department was having difficulty in implementing plans. These data can be used to identify problems in department funding levels, staffing allocations, and management procedures.

Performance monitoring. The program review committee believes that the creation of the planning and operations research unit is essential to improve performance monitoring within the department and to resolve the problems resulting from the current lack of monitoring. The planning and operations research unit will provide the staff time and expertise necessary to develop a systematic approach to performance monitoring and to continuously analyze the data generated by that system. The unit will support the work of line managers by providing them with the data necessary to make management decisions.

Through the efforts of the new planning and research unit, department management systems will be integrated and strengthened. Planning, performance monitoring, and staff evaluation data can be interrelated, analyzed, and the results of the analysis distributed to line managers. Trends identified through performance monitoring will indicate areas to be studied and addressed in department plans. Programs proposed by the legislature and department line managers can be studied, and the costs and benefits analyzed using the performance data base. These data can then be used to support budget requests for new and expanded programs.

To ensure that planning and performance monitoring are continuous and ongoing, the program review committee believes that a unit dedicated specifically to these functions and reporting directly to the commissioner is required. Staff members with

practical experience in management information systems, statistical analysis, strategic planning, and operations research will ensure that section employees have the necessary expertise to implement and maintain the proposed management systems. The three management analysts currently employed by the department will be part of the unit and assist in project implementation.

Staff evaluation. The establishment of a systematic staff evaluation program will reinforce department goals and objectives and provide employees with clearly defined evaluation criteria. Job specific goals, consistent with agency plans, will be the basis for appraising employees. Thus, job evaluations and pay increases will reinforce the timely achievement of department goals and objectives.

The evaluation process is also intended to improve staff morale. It will provide employees with well defined evaluation criteria, regular feedback on their performance, the opportunity to improve their work product through training, and recognition for good performance.

Training Program

Nearly all training of Department of Motor Vehicles employees occurs on the job. In general, supervisors are responsible for instructing new employees and improving and developing the skills of experienced staff persons. The department does have a staff development coordinator, but that individual is assigned to work only with the Emissions Division. Thus, for the majority of the motor vehicles work force including management staff, no one is systematically evaluating training needs or developing programs to improve work quality and productivity.

At present, in-service training is provided sporadically, usually in reaction to major changes in statutory requirements, customer complaints, or patterns of errors that may be identified by units responsible for reviewing processed transactions such as internal audit and data entry. Current training efforts, particularly for new employees, also are inconsistent since they depend on supervisory staff's time and personal knowledge.

Department officials are considering the addition of one to two training positions within the field operations section during the upcoming fiscal year. However, the program review committee believes a more comprehensive approach to training for all employees is needed for several reasons.

First, policy and procedural changes resulting from new or amended legislation are frequent and affect nearly all department operations. Second, employee turnover rates throughout the department are high. Third, there are proposals to greatly expand the department's part-time work force, the very workers for whom on

the job training is most inefficient. Finally, advances in technology, such as point-of-transaction data entry and other automation, will demand new skills and knowledge from employees at all levels within the department. Therefore, the Legislative Program Review and Investigations Committee recommends that:

6. The Department of Motor Vehicles establish a program for initial and continuing in-service training and career development opportunities for all levels of staff throughout the agency.

6a. A director of training and staff development responsible for developing and implementing this program should be hired by July 1986.

6b. The director should develop and implement by December 1986 a program for training part-time branch office employees.

6c. The training director, with the assistance of the planning and operations research unit, should develop an annual plan that:

- assesses training needs;
- prioritizes training needs;
- outlines programs to meet those needs; and
- evaluates the effectiveness of previous training efforts.

6d. The first training plan should be submitted to the commissioner of motor vehicles on July 1, 1987, and should include a description of the activities designed to prepare branch office staff for point-of-transaction data entry.

Given the circumstances outlined above, training needs of the department are critical. The success of automation, especially point-of-transaction data entry at the branch offices, hinges on the capabilities of the personnel who operate the new systems. Effective training also ensures that new employees become productive as quickly as possible, thereby reducing customer inconvenience.

Better training of new and existing staff should result in fewer processing errors and more consistent application of department policy and procedures. This will result in better customer service, more efficient use of employee time, and improved department morale. Increased performance monitoring, as previously recommended by the program review committee will make imperative that all employees are well trained since their performance will be measured against established standards. In addition, the solution to agency deficiencies revealed through performance monitoring many times will be effective employee training.

Centralized Phone System

The problem of accessing motor vehicle phone lines prompts numerous complaints and was a major concern of the program review committee when the Department of Motor Vehicles performance audit was undertaken. The committee found that, in addition to severely limiting public access, the department's current telephone system results in poor use of department resources and customer inconvenience.

A major problem of the current system is that answering phones detracts from the other duties staff should be discharging. As the telephone system analysis presented in the previous chapter showed, significant staff resources are directed away from the primary purpose of the branch offices--providing services to customers waiting in line--and applied to answering calls for general information.

Another drawback of the current phone system is the public's confusion about which DMV number to call. With the present listings, a customer may not be certain which phone number accesses the unit that could address his or her particular problem. Since no numbers are listed as general information lines, getting information can occur by trial and error.

Furthermore, the decentralized phone system now employed by the department frequently means that clients must make multiple calls to have their questions answered, and also leads to inconsistencies in the information disseminated. These inconsistencies sometimes result in a customer arriving at a branch office only to be told the information received over the phone was incorrect and their transaction cannot be completed.

Finally, the program review committee concluded that the department's attempts to resolve the deficiencies of its telephone system are too incremental and are unlikely to provide a comprehensive solution to an agency-wide problem in the near future. In view of all these factors, the Legislative Program Review and Investigations Committee recommends that:

7. The Department of Motor Vehicles establish a centralized phone center that will provide statewide toll-free access to a single department number. Within two years, all direct outside phone lines to the central office should be eliminated and calls should be answered at the centralized phone center. Also within two years, the department should set up a pilot program whereby a separate toll-free number would be available 24 hours per day to deliver recorded messages concerning general information.

Within three years, the department should eliminate all direct outside phone lines to the branch offices and those calls should also be answered at the central phone center. Personnel staffing the phone center should have access to all computerized information systems.

The committee believes its recommendation to establish a state-of-the-art centralized phone system within three years will provide significantly better service to customers by improving accessibility and insuring consistency of information. Staff resources will also be better utilized if responsibility for answering phone calls from the public is centralized.

To better evaluate what type of system and level of resources would meet the department's needs, the program review committee used the centralized phone operations of Connecticut Blue Cross/Blue Shield, Inc. as a model. The Blue Cross/Blue Shield organization, with 1,481,551 subscribers in Connecticut, receives approximately 5,000 calls a day, translating into almost 1 call for each subscriber each year. To handle this volume, Blue Cross/Blue Shield has a total of 96 incoming phone lines staffed by 50 operators. The system is very accessible, with less than 10 percent of callers getting a busy signal. Information collected by the phone system shows that the average call takes about 4.8 minutes to process from the time the call is taken by a customer service representative.

The program review committee staff estimates the Department of Motor Vehicles receives 2.3 million phone calls annually. This is based on the assumption that, similar to the Blue Cross/Blue Shield experience, each registrant in Connecticut will call once during a one-year period. Committee staff also estimates that the average processing time for each phone call is 2.5 minutes. This is based on the processing time in Pennsylvania's Department of Motor Vehicles, which has a centralized phone system.

Program review staff, in an effort to obtain cost figures for such a "state-of-the-art" phone system, spoke with the vendor that installed the Blue Cross/Blue Shield Automatic Call Distributing system. Based on the above assumptions--that the department will receives 2.3 million calls and take an average of 2.5 minutes to process each call--the vendor ran some computer simulations.

Using an industry standard that 13 percent of the calls will come in during a one-hour peak period during the day, the computer simulation showed that the department will need 53 operators and 58 lines. At that service level, during the peak hour only 2 percent of the callers will get a busy signal, and 35 percent of the callers will be put on hold for 9.9 seconds, until an agent is free. Further, the operators will have 90 percent of their time utilized during that hour.

To provide this level of service, the program review committee estimates that a model phone system will cost:

\$768,500	Personnel (\$14,500 x 53 customer service representatives)
\$250,000	Phone system (hardware & software)
\$ 48,000	2 "800" number service costs
\$ 47,700	53 Terminals (\$900 each)
\$100,000	Additional Software (estimate to interface data bases and implement recorded messages)

\$1,214,200 TOTAL

The net costs to the department could be reduced if the following factors are considered. First, as pointed out earlier, there are 47.5 persons already dedicated to answering phones in the Department of Motor Vehicles. If only the resources for those persons currently answering the phones in the central office (20.5 x an average salary of \$14,500) were reassigned to the phone center, the cost would be reduced by \$297,250. Second, if the funds requested in the FY 87 budget options (\$231,600) were also subtracted from the total, the net costs of the phone system to the department would be \$685,350.

There are many benefits to installing such a phone system, the primary one being customer access. The vast majority of callers will be able to reach the Department of Motor Vehicles without getting a busy signal. When callers reach the department, the information they receive will be correct and consistent, since information will be computerized and the operator will call it up on a screen rather than looking through paper references. The new system will also eliminate the need for customers to make multiple calls to have their questions answered.

If the department's phone calls are answered at a central location, 27 branch office personnel will be able to devote more time to walk-in customers. In addition, if the department implements a system whereby a separate "800" number could access recorded messages for general information--e.g., department hours, identification needed for a license, how to register a car, etc.--the department could evaluate whether it could significantly cut down the number of service representative calls and adjust the phone center staff appropriately.

Finally, a state-of-the-art phone system would be an invaluable management tool, providing such information as: how many calls the department is receiving; when the calls are coming in; the type of calls and the processing times for each; individual operator statistics; and trends in the above. This will furnish the department with data to adjust staff for busy times, to establish training needs, and to assign staff where they seem best suited.

Centralized Document Processing

The Legislative Program Review and Investigations Committee found that a lack of automation and inefficient use of existing staff resources has hindered the department's current centralized documents processing efforts. In addition, the department has not taken advantage of opportunities for further centralizing the processing of high volume transactions.

Mail processing. As the analysis presented in the previous chapter revealed, about one-third of all mail-in transactions received at the central DMV office are subsequently sent to the branch offices for processing. In addition, the committee found that the central mail processing unit is unable to meet the processing deadline for the work it retains 33 percent of the time.

Based on a review of a model mail processing system operated by Northeast Utilities, the program review committee also found that central mail processing productivity could be substantially improved through automation. Using an automated system like the Northeast Utility model, 200 rather than the current 34 mail-in registration renewal transactions could be processed per hour.

If a 200-transactions-per-hour processing standard were achieved, the level of staff resources applied to processing mail-in registration renewal transactions could be reduced, and there would be no need to send work to the branch offices. With automation, the program review committee estimates that 2.5 persons could process all mail-in registration renewals, not including follow-up work, if the volume of work remains about at the level experienced in FY 85 (675,000).

Resources necessary for follow-up work can only be approximated. At Northeast Utilities, the same number of staff (12) are assigned to follow-up work, such as correcting errors, researching problem payments, and contacting customers for information, as to operating the automated work stations; staff also rotate between processing and follow-up activities. Up to about 10 percent of the payments received by Northeast Utilities each month require some type of follow-up before being completely processed at a work station.

A sample of 1,000 mail-in registration renewals received by the Department of Motor Vehicles indicated to the program review committee that two-thirds of the mail renewal work could be processed at automated work stations without any additional steps. While one-third of the transactions would require some type of additional work prior to processing, the sample revealed that only about 15 percent of all transactions would require researching a problem, returning the item to the customer, or other major

follow-up efforts. If the ratio found at Northeast Utilities is applied, approximately four persons would be needed to do follow-up on DMV mail-in registration renewal transactions.

Given these estimates, automation of the DMV mail processing function would require a one time investment of about \$200,000 in equipment, but would produce a savings of about 10 full-time staff persons. This savings figure is based upon replacing the 10 mail processing unit personnel and the equivalent of 6 branch office employees with between 5 and 6 full-time central office staff assigned to operating automated mail processors and follow-up mail-in registration renewals when necessary.

Processing dealer work. In the branch offices, dealer drop-off work, like mail-in transactions sent from the central office, is considered "background work" to be done during lulls in counter work. However, the program review committee found that the volume of dealer drop-offs combined with the statutory deadlines concerning such transactions often necessitates that branch employees work overtime to complete this work. Program review staff, during field visits to the branch offices, observed employees doing "background work" while customers were waiting in line.

The Legislative Program Review and Investigations Committee also found that significant branch resources are devoted to the processing of registration transactions dropped off by automobile dealers. As the analysis presented in the previous chapter noted, the equivalent of about 16 branch office employees is applied to dealer work.

If all dealer work were processed centrally, these branch office staff resources could be applied to services for walk-in customers, the primary function of DMV field operations personnel. More central office staff would be needed to handle all dealer drop-off transactions, since only two persons on a full-time basis and four on a part-time basis are assigned to dealer work currently received at the mail processing unit. However, staff resources saved through automation of the mail processing function (about four to five person years) could be applied to the expanded dealer drop-off function.

In addition, some overtime at the branch offices is now applied in part to the processing of dealer drop-off work. The department does not compile statistics on overtime use, but according to program review staff estimates, which were based on payroll records, all branch overtime averaged the equivalent of 17.7 full-time positions during FY 85. The portion of resources devoted to overtime for dealer work as well as mail-in transactions at the branches, therefore, could also be used to add positions to a central document processing unit responsible for both these functions.

To provide for more effective processing of mail-in and other bulk transactions as well as restore branch office personnel to their primary function of serving walk-in customer, the program review committee recommends that:

8. The Department of Motor Vehicles create a centralized documents processing unit to process all transactions not generated by walk-in customers. By October 1, 1986, the unit should be fully automated to process all mail-in registration renewals. This unit should process all transactions not generated by walk-in customers by October 1, 1987. In addition, by the same date, the department should pilot its point-of-transaction data entry registration system in this unit.

By centralizing responsibility for all transactions not generated by walk-in customers, staff in the branch offices will be more available to serve customers at the counter, the intent of field operations. In busy branch offices, this should result in shorter waiting times. At lower volume offices with acceptable average waiting times, it may be possible to reduce staff levels and transfer these resources to high volume branches, to expanded branch hours of operation, or to the central processing unit.

Expanded and improved central processing should also result in quicker deposit of revenues. This in turn should translate into increased interest income. For example, since about one-third of the mailed-in registration renewals received at the central office are shipped out to the branches for processing, there can be up to a two week delay in the depositing of the enclosed checks. Assuming all mail sent to the branches involved \$50 passenger car registration renewals, on average over \$900,000 per month in revenue was delayed for deposit during FY 85. Interest income on this amount, at 8 percent per year, totals nearly \$200 per day.

Opportunities for automation are also greater if processing of high volume mail-in and dealer drop-off work is centralized. Furthermore, while point-of-transaction data entry at the branch offices will require several more years to develop, it could be implemented at the DMV central documents processing office within the next calendar year. All dealer drop-off work, therefore, could be examined and the data entered into the department's computer files in one step. Automation within this unit could be used as a pilot program for the branch office point-of-transaction data entry system.

Through cross-training and a flex-time schedule, the staff of the central documents processing unit could be shifted within the unit as needed to handle workload peaks that now require use of overtime or result in delays in the return of processed transactions. The unit could also serve as a training ground for

new branch office employees. In this way, experience in examining and validating documents could be obtained without inconveniencing customers waiting in line.

Point-of-Transaction Data Entry

The Department of Motor Vehicles is currently plagued with long waiting lines in the branch offices, large backlogs of documents to be centrally processed, and records that are up to six months out of date. One of the major causes of these problems is the lack of automated procedures within the department.

The issuance of registration and title documents is one of the primary services provided by the department. Yet, the procedure to process applications for these documents is almost entirely manual. Until January 1985, branch office personnel had little more than cash registers and microfiche readers to assist them in examining and keeping accounting records of the registration and title transactions processed. In early 1985, branch office personnel were provided with computer access to current registration files and a partial listing of the information in title files. Computer access to these files reduces processing time for some applications. However, property tax and suspended registration data must still be accessed through microfiche and paper documents.

The registration and title information available by computer terminal is out-of-date. Data are not entered in computer files until the application is processed by the branch office, sent to central office units responsible for further processing, and keypunched by the data entry unit. Due to the heavy workload of most units involved in this process, it can take up to six months after the date of application for information to reach computer files.

To ensure that law enforcement officials have access to up-to-date registration files, branch office personnel are responsible for entering a partial listing of registration information on DMV computers before applications are sent to the central office. Some of the same information is entered on the computer again in title files after applications are processed by the title section, and for a third time when the data entry section keypunches the information for registration files.

The department recognizes the need to improve its computerized systems. To eliminate entering the same data in both registration and title files, the department is currently developing a proposal to combine the two computer files. The department has also considered proposals to eliminate the gap between the time when applications are submitted in the branch office and the time when the application data are entered in DMV computer files. In its 1984 and 1985 data processing plans, the department states that its

primary goal in modernizing data processing systems is to bring data entry as close as possible to the point of transaction. The plans propose a point-of-transaction data entry system in which data are entered on the computer at the time that the customer's application is submitted to the branch office.

The department plans an incremental approach to establishing a point-of-transaction data entry system in the branch offices. In the 1985 plan, it is projected that the support systems necessary to implement a point-of-transaction data entry system will be automated in the next four years. However, the implementation date for the entire system has not been determined and is considered beyond the five-year scope of the plan. In fact, if the department follows the steps outlined in its five-year plan, a formal study of point-of-transaction data entry in the branch offices will not begin until FY 90.

Therefore, the Legislative Program Review and Investigations Committee recommends that:

9. The Department of Motor Vehicles implement a point-of-transaction data entry system in the branch offices by January 1991. A consultant should be hired to study the type of system needed by the department, provide an implementation plan, and estimate its cost. A report of the consultant's study and recommendations should be submitted to the General Assembly and the governor by July 1987.

Program review staff visited the Rhode Island Division of Motor Vehicles to observe a point-of-transaction data entry system in operation. Division officials reported that their point-of-transaction system has worked well to improve the accuracy and timeliness of division records, eliminate redundant data entry procedures, and simplify application processing in the branch offices.

A point-of-transaction data entry system would also reduce the central office staff hours required to correct errors in registration applications. Currently, 4.5 central office staff members (1 in the billing unit and 3.5 in the title section) are responsible for correcting incomplete registration and title applications.

The program review committee believes that a consultant rather than department staff should conduct this study because of the substantial amount of staff time required for its completion. The department's data processing staff is currently involved in automating several department programs. Many of these programs must be computerized before a point-of-transaction data entry system can be implemented. Program review committee recommendations such as the centralized phone center and the performance monitoring system,

will also require data processing staff time. If a consultant were hired to study the long-term goal (5 years) of a point-of-transaction system, department staff hours could be devoted to achieving these more immediate data processing objectives.

In addition, consulting firms have been retained by other states (e.g., Massachusetts and Rhode Island) to implement point-of-transaction data entry systems. Thus, a firm experienced in the operations of similar systems could be hired to advise the department and develop a plan to expedite implementation. Once an implementation plan is drafted, the department can determine whether further consulting services are necessary for the program's completion.

Automation of Department Functions

As previously discussed, most department programs are not automated. As a result, department staff time is spent performing functions that could be more quickly, thoroughly, and accurately performed by computer.

For example, in the branch offices, registration examiners spend approximately 6 percent of their time manually checking microfiche and paper records of delinquent property tax and suspended registrations. Driver license road tests are also manually scheduled. Each branch office schedules its own appointments, and during peak periods, applicants may wait up to 30 days to be tested. According to department officials, during these peak periods, some applicants call a number of branch offices in search of the earliest possible road test appointment. These applicants then keep the earliest appointment but do not cancel the other scheduled tests. While department officials could not document the frequency of this practice, they felt that it contributed to a no-show rate for road tests estimated at 33 percent.

The recordkeeping in the department's vanity plate area is another example of a manual, tedious procedure. When a request for a plate is made, clerical staff must check drawers of file cards to ensure that that plate has not been issued before.

The lack of automated data collection systems also makes performance monitoring difficult and time consuming. Waiting time, payroll, personnel, and inventory information is all manually processed and maintained. Thus, a large number of staff hours are required to collect statistics on department resources (i.e., actual hours worked, stock costs, and equipment costs) and compile workload and productivity information.

To address these many recordkeeping deficiencies, the Legislative Program Review and Investigations Committee recommends that:

10. The Department of Motor Vehicles automate the following functions by July 1987:

- delinquent property tax;
- suspended registrations;
- driver license examination appointments;
- vanity plates;
- payroll;
- personnel records;
- inventory; and
- waiting time data.

The automation of these functions will improve department efficiency, customer service, and management. Computerized property tax, suspended registration, and license appointment files will provide branch office personnel with immediate access to data. As a result, transaction times will be shortened and customers more quickly served. In addition, inquiries regarding delinquent property tax, suspended registrations, road test appointments, and vanity plates can be accessed from any location with a terminal. Thus, customer inquiries in these areas can be handled quickly by a central phone center.

Automated payroll, personnel, and waiting time data, used in conjunction with output data (i.e., number of documents processed), will enable the department to quickly and efficiently monitor department workload and productivity. These data can then be analyzed by the planning and operations research unit to determine department staffing and training needs.

APPENDICES

APPENDIX A

Significant Changes

in Department of Motor Vehicles Duties, 1975-1985

- 1976 - Public Act 76-263 -- Mandated photo license program; also required four-year operator licenses rather than two-year licenses.
- 1978 - Public Act 78-335 -- Emissions Control Program mandated. Was to become effective January 1, 1979.
- 1979 - Public Act 79-577 -- Required the presentation of a no-fault insurance card in order to register a passenger vehicle.
- 1980 - Public Act 80-458 -- Delayed the implementation of the emissions program two years, until January 1, 1981.
- 1980 - Public Act 80-466 -- Required one-plate registration rather than two-plates and mandated a two-year registration period (\$40 fee) instead of one-year period (\$20 fee).
- 1982 - Public Act 82-15 -- In lieu of closing 5 Department of Motor Vehicles branches as had been mandated by the legislature in the November 1981 special session, this act mandated that the commissioner of motor vehicles eliminate 12 positions through attrition. Also mandated simplification of forms, improvement of work procedures, and more cooperation between registration and licensing divisions.
- 1983 - Departmental Policy Change -- Implemented "One-Stop" Registration, whereby customers have registration documents examined and pay fees at the same location rather than the previous two stops.

APPENDIX B

LPR&IC Staff Cost Analysis of Recommendations

Many of the Legislative Program Review and Investigations Committee recommendations resulting from the performance audit of the Department of Motor Vehicles can be achieved without any additional cost by improving department procedures and reallocating existing staff. However, some of the recommendations require new staff and equipment for implementation. Cost estimates for these are calculated below. Expenditures already outlined in department plans are not included in the following calculations.

One-time costs for equipment and temporary staff recommended in all four performance audit reports are estimated to total approximately \$3.25 million and would be expended over a five-year period. With these expenditures, the motor vehicles department could: reduce the title backlog; automate and upgrade the mail processing function; automate branch office reporting; purchase a state-of-the-art phone system; and initiate a point-of-transaction data entry system.

Total recurring costs, primarily salaries, associated with Legislative Program Review and Investigations Committee recommendations from all four DMV audit reports range between \$1.3 and \$1.5 million. This level of new funding would provide the department with about 70 to 90 additional staff. Funding of these new positions would permit: faster title service; reduced branch office waiting times; more convenient services through expanded office hours; and development of internal training programs. In addition, the expanded staff would allow for the establishment of a planning and performance monitoring unit, more efficient central documents processing, and operation of a state-of-the-art phone system.

The cost of recommended improvements should be evaluated in light of the department's limited expenditures in recent years. In constant dollars, the Department of Motor Vehicle's budget increased by only 2.9 percent from FY 76 to FY 83. The department's overall budget increase from FY 76 to FY 85 lagged behind the average for all state agencies. During this 10-year period, the department's budget increased by 19.1 percent while the state average was 26.2 percent. In addition, the department has not spent all of its appropriated funds; since 1976, the Department of Motor Vehicles has lapsed approximately \$7.5 million of its appropriated budget.

Costs to improve customer service should also be considered in light of the increases in motor vehicle fees scheduled over the next six years. Increases in registration, operator license and

other motor vehicle fees are summarized in Table B-1. Revenues from these fees, which are projected to total more than \$220 million in 1993, are also shown in the table.

Cost Estimates: Agency Management and Central Office Operations

Planning and Performance Monitoring

Additional Staff Required: 5

1 Director @ \$50,000

4 Analysts @ \$40,000

Total Recurring Cost: \$210,000 annual salaries

Training Program

Additional Staff Required: 1

1 Training Director @ \$36,000

Total Recurring Cost: \$36,000 annual salary

Phone Center

Additional Staff Required: 33.5

(Assumes that central office staff currently dedicated to answering phones are transferred to the phone center.)

32.5 Customer Service Operators @ \$14,500

1 Phone Center Supervisor @ \$28,000

Equipment Required:

Hardware \$250,000

Terminals \$ 48,000

Software \$100,000

Other Requirements:

"800" line annual service charge @ \$48,000

Total Recurring Cost: \$547,250 annual salaries and service charge

Total One-Time Cost: \$398,000 (equipment)

Central Documents Processing

Additional Staff Required: 10 (maximum)
10 Reg. Exam I @ \$15,500

Equipment Required:
2 Remittance Processors @ \$100,000

Total Recurring Costs: \$155,000

Total One-Time Cost: \$72,000
(2 new processors cost of \$200,000 - current equipment appropriation of \$128,000)

Point-of-Transaction Data Entry

Additional Staff Required: Consultant
Consultant study @ \$100,000
(Expended during 1986)

Systems Requirements: \$2.5 million
Includes hardware, software, personnel time including training
(Expended 1986 - 1991)

Total One-Time Cost: \$2.6 million
(Expended 1986 - 1991)

Cost Estimate: Branch Office Operations

Staffing to Raise Capacity Utilization

Additional Staff Required: 49
49 Registration Examiners @ \$15,500

Total Recurring Cost: 0
Assumes that the following existing branch staff are made available for customer service by centralizing:

• mail renewal processing	=	6
• dealer drop-off work	=	16
• phone information	=	27
Total		49

Expand Branch Office Hours

Additional Staff Required: equivalent of 15-33 FT positions
Under "Flex Time" schedule: 15 reg. exam. positions @ \$15,500
Under current staffing patterns: 33 reg. exam. positions @ \$15,500

Total Recurring Cost: \$217,500 - \$478,500 annual salaries (final cost at end of 3-year phase-in period)

Automate Branch Reporting

Equipment Required: 16 personal computers (one per office) @ \$9,600

Total One Time Cost: \$134,400 (16 computers cost of \$153,600 - current appropriation for equipment, \$19,200)

Hire Third Field Supervisor

Additional Staff: 1
1 Branch Office Supervisor @ \$32,000

Total Recurring Cost: \$32,000 annual salary

Cost Estimates: Title Operations

Title Section Staffing

Additional Staff Required: 9 (5 temporary)
4 FT title examiners @ \$17,000
5 FT title examiners @ \$17,000 for 6 months

Total Recurring Cost: \$70,000 annual salaries

Total One - Time Cost: \$43,750 (temporary salaries)

Long-run (over next 3 years) personnel savings: \$108,800
Assumes the following positions saved:

- 1 title examiner position @ \$17,000 from transferring phone calls to phone center
- 2 title examiner positions @ \$17,000 from implementation of on-line title files
- 3.4 title examiner positions @ \$17,000 from implementation of point of transaction data entry

Cost Estimates: Dealers and Repairers

Recommendations concerning Dealers and Repairers Division do not require any additional staff or equipment that is not already being planned by the department.

Table B-1. Department of Motor Vehicles Projected Revenue Increases 1985 - 1993.

	FY 85*		1992/93 Project.		1992-93 Project.	
	<u>Fee</u>	<u>Revenues</u>	<u>Fee</u>	<u>Revenues</u>	<u>Fee % Increase</u>	
Operators License	(\$26.50)	\$16,036,817		(\$42)	\$ 31,922,226	61%
Registrations	(\$50)	\$82,556,753		(\$80)	\$135,556,753	60%
Titles	(\$11)	\$ 5,057,448		(\$25)	\$ 16,456,250	127%
Inspections	(\$11)	\$ 1,619,206		(\$25)	\$ 5,502,875	127%
Copy Records	(Varied)	\$ 3,347,903		(Varied)	\$ 8,369,757	n/a
License Exams	(\$15)	\$ 1,506,535		(\$36)	\$ 5,600,412	140%
Dealer & Repairer Licenses	(Varied)	\$ 2,088,536		(Varied)	\$ 5,283,996	n/a
Other Motor Vehicle and Transportation Fund Receipts	(Varied)	\$ 7,153,145		(Varied)	\$ 11,731,158	n/a
TOTAL	\$119,366,343		\$ 220,423,427			

Notes: Excludes issues that are dedicated to special funds, e.g., boats and emissions.

* Fees are as of July 1, 1985; revenues are those collected as of June 30, 1985.

APPENDIX C

Department of Motor Vehicles Response to Legislative Program Review and Investigations Committee Recommendations

The Department of Motor Vehicles appreciates the efforts put forth by the staff of the Program Review Committee, and concurs with many of the recommendations of the Committee's Report. Given the brief time available to respond to the voluminous Report, the following comments should not be considered exhaustive--they only represent general observations concerning some of those aspects of the Report in which we have some areas of agreement/disagreement.

Our objectives remain the same as that of the Committee. We welcome suggestions and recommendations aimed at providing better service for the motorists of Connecticut. Your recommendation that approximately \$5,000,000 be appropriated and additional personnel hired will help in achieving our joint objective of better serving the motoring public.

CENTRAL OPERATIONS--RECOMMENDATIONS

1 and 2. The Department be reorganized into two bureaus, Programs and Administration, each headed by a Deputy Commissioner.

COMMENT: We disagree with the recommendation. Introducing another level within the organization will not be helpful. Traditional licensing and registration functions should not be separated into field and headquarter segments. Dealers and Repairers should stay essentially as it is because of its specialized function.

3 and 4. Department should establish a planning and operations research unit to be operational by January 1, 1987. Planning and operations research unit should consist of four (4) staff members and a director.

COMMENT: We have plans for establishing an integrated unit to focus on formal planning, budget execution, program measures, management evaluation and legislative follow-up. Another unit would focus on innovation by proposing new legislation, policy changes and the effective use of new techniques and technologies, and productivity strategies.

7. Department establish a centralized phone center....all direct outside phone lines to the central office should be eliminated....within three years, department should eliminate all direct outside phone lines to the branch offices.

COMMENT: We prefer a more flexible, incremental approach to a centralized phone center. We feel a global approach can result in unforeseen problems for the public.